Today (Journal of Public Affairs)
-president-

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TODAY

Raymond Moley, *Editor* ★ Vincent Astor, *Publisher*

REVEALING THE AMAZING STORY OF A NEW ATTACK UPON AMERICAN PRINCIPLES AND IDEALS

HITLERISM Invades America

A Documented Series of Articles by

SAMUEL DUFF McCOY

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

Today's Mail

SIR: Your editorial comment in the March 3 issue observes that shortages exist in certain classes of skills in Detroit and suggests that the CCC, CWA, and TVA organizations be utilized as a media for training replacements in industry. In my judgment, the suggestions would not be acceptable to most employers. There should be no encouragement given to a possible transfer of economic and social responsibility for employe training. Industry must of itself take care of replacement training.

The Detroit situation is, in all probability, one of the advance events of its kind. It is, indeed, somewhat surprising that the progressive automobile industry should find itself in this dilemma. It contributes rather convincing evidence that industry will face a tremendous job of training and retraining. The only plausible justification for using the governmental agencies mentioned rests in the comparability of the size of the problem and the magnitude of these agencies.

Industry is best equipped to meet the training essential to replacement. It has the plant, the conditions for the most practical training and, if it chooses to utilize them, the personnel most competent to give the training.

The simple need of industry today is for some form of organized preparation to meet training demands which may be anticipated readily.

Let us keep objectives clearly in mind. The CCC was organized to carry on reforestation to relieve distress by providing compensated work. The CWA aims to provide compensated work in place of stigmatized relief. The TVA, a sociological project, has all it can attend to in meeting its own training problems, which are sufficiently complex to engross undivided attention.

Since this is industry's own ball of yarn, from which it will take profit or lose it, there is slight justification for the taxpayer to assume the cost. If our government is to spend for education and training, let it be for existing institutions which are sadly neglected. Let us not conflict the public's responsibility and the employer's responsibility for training. Let us not go around Robin Hood's barn in training for replacement.

Is it not better to ask all industry to prepare to meet its own job?

HARRY HUNTER TUKEY

New York City

•

BULLETS OR WORK

SIR: I stand among my worthless houses and I wonder at the wreck of fifty years of economic thrift. With no part in our late financial madness, I have nothing left but obligations fixed by law.

I have a neighbor. I can hardly share that wealthy Washington complex that shovels my pennies into his pocket for the glory of my beloved country.

My belief is that the country needs economy to correct its morals. I know too well the history of subsidies and pensions to be very sympathetic. They are temptations to be led away from, without compromise.

I would like to shoot the worst of the population and put the rest to work for their bread and butter.

Why should they live on me?

F. G.

Belmar, New Jersey

By Joseph Cummings Chase

FRED C. KELLY

Today's Contributors

FRED C. KELLY, who has joined the staff of TODAY as a traveling correspondent, contributes his first article to this issue. Mr. Kelly began his writing career as a newspaper correspondent at the age of fourteen. He was on the staff of the Cleveland *Plain Dealer* for ten years. He removed to Washington in 1910, and for several years he wrote for thirty newspapers a daily column of short character sketches entitled *Statesmen, Real and Near*. For eighteen months during the World War he served as a special agent in the Department of Justice, to aid in tracing pro-German plots against the United States. Among his books are *The Fun of Knowing Folks, The Wisdom of Laziness, You and Your Dog* and *Why You Win or Lose*. Mr. Kelly operates a 600-acre farm at Peninsula, Ohio. Dogs, sleight of hand tricks and travel are his hobbies, but getting acquainted with folks is both an occupation and an avocation with him.

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SAMUEL DUFF McCOY, who is writing for TODAY a series of documented articles on *Hitlerism Invades America*, beginning in this issue, is an American by birth and ancestry. His forebears, arriving in America from Scotland and Ireland prior to the American Revolution of 1776, settled in Pennsylvania and Virginia. Mr. McCoy was born in Iowa. His father was the Rev. Daniel Charles McCoy, a Presbyterian clergyman and a pioneer American missionary to China. The family has been Presbyterian for two centuries. Since completing a course at Princeton University in 1903, Mr. McCoy has engaged in newspaper work. In the Spring of 1918 he was associated with the American Red Cross. He visited Ireland in 1921 as representative of the American Committee for Relief in Ireland, a non-partisan American organization for the relief of women and children suffering from the warfare then in progress in Ireland. Mr. McCoy was sent to Florida in 1923 by the New York *World* to investigate the case of Martin Tabert, who was flogged to death by a "whipping boss" in a lumber camp leasing convict labor. The fifty articles he wrote, exposing abuses in the state's prison system, resulted in the revision of the Florida laws relating to convict leasing and corporal punishment for prisoners. For this series of articles the *World* was awarded in 1924 the Pulitzer gold medal for "the most distinguished and meritorious public service rendered by any American newspaper during the year."

•

DOROTHY DUNBAR BROMLEY, of New York City, who took her A.B. at Northwestern University, has been writing articles on feminist, sociological and political subjects for magazines and newspapers for the last ten years.

•

IRMA GOEBEL LABASTILLE, a contributor to journals of music and other magazines, is music critic for European and Argentine newspapers. Mrs. Labastille has toured the United States, Europe and South America as a concert pianist.

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RAYMOND R. S. CAMP has been on the editorial staff of the Brooklyn office of the New York *Times* for the last three years. His hobby is polo-playing.

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Underwood

"400 NEW MEMBERS A WEEK"

The growth of the Nazi organization in the United States is proceeding rapidly—at the rate of 400 new members a week in New York, according to leaders. In the early days of the organization, recruiting of members was much more open—as this photo shows—than has been the case since the official investigation of the group in New York, which Federal officials began late in 1933. Paul Manger (left) and Adolf Holtz proudly posed as they signed up two new members. Manger, who was janitor of an Elmhurst, Long Island, apartment house, lost his job after his party's activities in the New York area were exposed, some months ago, and he then returned to Germany.

RAYMOND MOLEY
EDITOR

TODAY

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

MARCH 31, 1934
VOL. I, NO. 23

The Nazi's Chicago Local has been built into an important machine for recruiting adherents and spreading propaganda. The Storm Troop members shown here are Hugo Jugenheimer, Franz Klorl and Otto Hortl, Walter Gerber and Robert Gerber

HITLERISM INVADES AMERICA

The first of a series of authenticated articles exposing anti-American influences at work in the United States

By SAMUEL DUFF McCOY

DURING this last week of March, 1934, troops wearing a foreign uniform have been drilling in nineteen American cities.

During this same week, in these same communities and in half again as many more, meetings have been held in behalf of a political, economic and social philosophy as alien to America as the uniforms of these troops.

The uniform and the philosophy are those of Adolf Hitler and the Nazi Party which made him chancellor in name and dictator in fact of the German Reich.

Hitlerism has invaded America.

The invasion is upon a systematic and nation-wide scale. It has been laid out and is being carried out by men professing allegiance to the principles of the Nazi Party in Germany. It has had the approval and, in repeated instances, has had the active support of official representatives of the Reich.

As long ago as 1925 the preparing of the way for this invasion was begun. It came into the open in 1932. Since March 23, 1933, when the Reichstag, stripping itself and the President of the Republic of all power, vested Hitler with sole responsibility for the acts of the nation, it has been pressed actively.

Today in twelve of the nineteen communities where organizations have been completed more than six thousand members are claimed for the

A discussion by Raymond Moley of the Nazi doctrine and its invasion of America appears on pages 16 and 17

National Socialist German Workers Party or for the Friends of the New Germany (in which those who are American citizens are enrolled). There are close observers of developments who say that this six thousand is too small by at least one-half.

This invasion of America seeks far more than the creation of a new feeling toward the Hitler Government. Its propaganda has an objective wholly different from that which goes on constantly here in behalf of other nations.

Hitlerism is seeking to implant itself in the United States. It is seeking to establish its political ideals here. It would seek to establish here the same control by the state of every political, economic, social and religious function and agency that it has established in Germany.

This is no ambition born in the flush of the success that has come in Germany. It found expression in Hitler's own story, *My Battle*, written in 1924.

"The man of Germanic race on the continent of America, having kept himself pure and unmixed, has risen to be its master," he said there, and added his contention that the "major portion" of this country's population "consists of Germanic elements."

Nor is the purpose to impose upon America an altered or diluted Hitlerism. The first published declaration of this purpose appeared in *The American Guard* for June, 1932. There it was said:

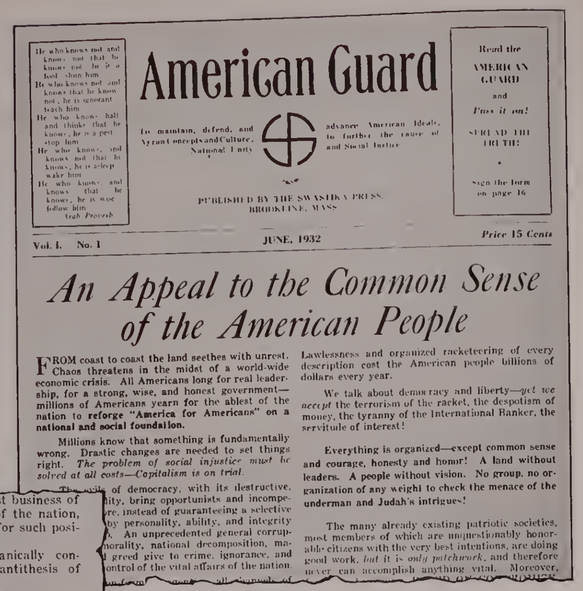
"We repudiate the doctrine of popular sovereignty.

hire a bricklayer. But that the biggest business of all, the domestic and foreign affairs of the nation, be entrusted to the very best trained for such positions seems to be taboo.

Our political conception is organically conceived, and consequently the very antithesis of liberal democratic ideas.

We repudiate the doctrine of popular sovereignity. Believing in the authority of leadership, in the value of personality, we advocate a state of truly sovereign authority, which dominates all the forces of the nation, coordinating them, solidifying them, and directing them towards the higher ends of national life; an authority which is at the same time in constant touch with the masses, guiding and educating them, and looking after their interests. For politics, the art and science of government, is and can be nothing else but the furtherance of the vital interests of the people, and the use of all means for the fulfillment of their struggle for life.

In the life of nations, the strength toward the outer world is conditioned by the strength of the



He who knows not and knows not that he knows not he is a fool—shun him
He who knows not and knows that he knows not, he is ignorant—teach him
He who knows half and thinks that he knows, he is a pest—stop him
He who knows, and knows not that he knows, he is asleep—wake him
He who knows and knows that he knows, he is wise—follow him
Arab Proverb

American Guard

To maintain, defend, and vigorant conceptsandCulture, National Traits

advance American Ideals, to further the cause of and Social Justice

Read the AMERICAN GUARD and *Pass it on!* SPREAD THE TRUTH!

Sign the form on page 16

PUBLISHED BY THE SWASTIKA PRESS BROOKLINE, MASS.

Vol. I. No. 1 JUNE, 1932 Price 15 Cents

An Appeal to the Common Sense of the American People

FROM coast to coast the land seethes with unrest. Chaos threatens in the midst of a world-wide economic crisis. All Americans long for real leadership, for a strong, wise, and honest government—millions of Americans yearn for the ablest of the nation to reforge "America for Americans" on a **national and social foundation.**

Millions know that something is fundamentally wrong. Drastic changes are needed to set things right. *The problem of social injustice must be solved at all costs—Capitalism is on trial.*

The evils of democracy, with its illustructive. ...ity, bring opportunists and incompe... ...re, instead of guaranteeing a selective ...by personality, ability, and integrity ... An unprecedented general corrup... ...morality, national decomposition, ma... ...greed give to crime, ignorance, and ...ontrol of the vital affairs of the nation ...

Lawlessness and organized racketeering of every description cost the American people billions of dollars every year.

We talk about democracy and liberty—*yet we accept* the terrorism of the racket, the despotism of money, the tyranny of the International Banker, the servitude of interest!

Everything is organized—except common sense and courage, honesty and honor! A land without leaders. A people without vision. No group, no organization of any weight to check the menace of the underman and Judah's intrigues!

The many already existing patriotic societies, most members of which are unquestionably honorable citizens with the very best intentions, are doing good work, *but* it is *only patchwork*, and therefore never can accomplish anything vital. Moreover,

AMERICAN GUARD

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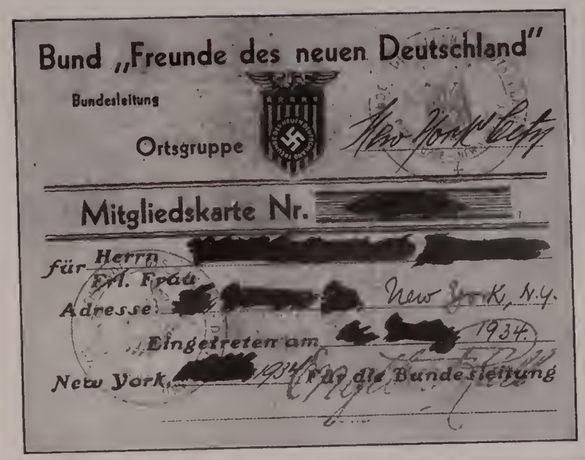
Single copies 15c

Editor, K. G. W. Ludecke

"The Declaration of Independence" of the Nazi Party in the United States was contained in the pages of the "American Guard" of June, 1932. This magazine, published by the Swastika Press of Brookline, Mass., was the production of K. G. W. (or Ernst) Ludecke (right). Ludecke, it was reported in newspapers at the time, was in America to "give authentic information about the Party to the American people." Ludecke was the American correspondent of the official Nazi organ in Germany, the "Voelkischer Beobachter." The purpose of Ludecke's organization, as the photographs above reveal, was to introduce Hitlerism into the United States as it is manifested in Germany

International



Bund „Freunde des neuen Deutschland"

Bundesleitung

Ortsgruppe New York City

Mitgliedskarte Nr. [redacted]

für Herrn [redacted]

Frl. Frau

Adresse: [redacted] New York, N.Y.

Eingetreten am [redacted] 1934.

New York, [redacted] 193[redacted] Für die Bundesleitung

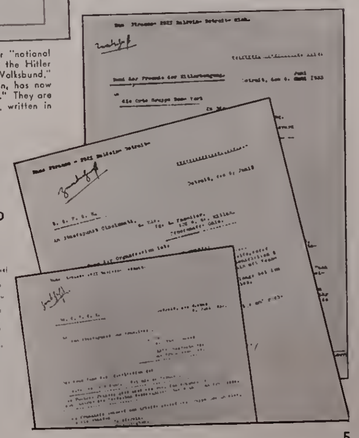
Rudolf Hess, "Fuehrer," or leader, of the Nazi Party, appointed when Hitler become Chancellor, who directs the activities of the divisional chiefs, including Ernst Wilhelm Bohle. Bohle is chief of all members of the Party outside Germany

Fritz Gissibl, national leader of the Nazis in the United States

Zur Beachtung: Aenderung der Adresse ist sofort der Ortsgruppe zu melden. Vor der Rueckreise nach Deutschland ist es Pflicht, sich bei der Ortsgruppe abzumelden. Die Mitgliedskarte ist nur guetig, wenn die Beitraege laufend bezahlt sind. Nach Ablauf der einjaehrigen Mitgliedschaft wird gegen Einsendung der Mitgliedskarte, 2 Passbilder und 25c Ausfertigungsgebuehr an die Ortsgruppe das Mitgliedsbuch ausgestellt.

1	5	9	Sp.	Sp.	[redacted]
2	6	10	Sp.	Sp.	FOND SOC. DEUTSCH
[redacted]	7	11	Sp.	Sp.	M. B.
4	8	12	Sp.	Sp.	

The letters reproduced at right are from the former "national office" in Detroit giving notice that the "Friends of the Hitler Movement" is henceforth to be known as "Deutscher Volksbund," or "German People's League." This League, in turn, has now been succeeded by "The Friends of the New Germany." They are reproduced from photographs of the actual letters, written in German military style.



Above left is a reproduction of a membership card of the "Friends of the New Germany." The reverse side of the membership cord is shown at the left. The numbered spaces are for stamp-receipts for membership dues and the propaganda fund. Note the Nazi swastika placed over the face of the American flag shield, violating American law forbidding the placing of any figure, picture or design upon any United States flag or shield

Friends of New Germany Locals (Shown for Texas)

"Our political conception is organically conceived, and consequently the very antithesis of liberal democratic ideas.

"Believing in the authority of leadership, in the value of personality, we advocate a state of truly sovereign authority which dominates all the forces of the nation, coordinating them, solidifying them, and directing them toward the higher ends of national life, which is at the same time in constant touch with the masses, guiding and educating them and looking after their interests."

In *Amerika's Deutsche Post*, March 1, Ernst Wilhelm Bohle, head of Nazi organization outside Germany proclaimed:

"Each individual German is today in his guest-country an exponent of our National-Socialist view of the world (Weltanschauung) even when he is not a Party member. . . . In all parts of the world National-Socialists are striving toward this goal, under greatest personal sacrifices, harmful to nobody, for the sake of Germany. For the Fatherland it is a commandment of national duty to support the country-groups, local-groups and sub-branches of the N.S.D.A.P. abroad. . . . Our work in foreign countries must be focused at the creation of a front of Germans abroad, a front which is not directed against any State or country, but as a front for Germany. The Germans abroad will know by then for the first time in history that only their bodies are abroad, their souls being with the Germans in the Reich and that all Germans abroad and at home are united in the eternal communion of fate of German men, created by Adolf Hitler." (This proclamation is dated January 13, 1934.)

The conflict of all this with the form and the philosophy of government in America is absolute.

Throughout the campaign now being waged in the United States the "authority of leadership" is scrupulously adhered to.

Even the applicant for membership in the Friends of the New Germany must take this pledge:

"I herewith declare my entry into the League of Friends of the New Germany. The purpose and aim of the League are known to me and I obligate myself to support them without any reservation.

"I acknowledge the leadership principle according to which the League is being directed.

Left to right: Chancellor Hitler, Captain Goering and Dr. Ernest E. F. Hanfstoengl. These photographs were taken during a Nazi meeting in the sain. Hanfstoengl, whose mother was an American, attended Harvard and once ron a New York art shop

Internationel

Oberste N.S.D.A.P.-Stellen gleich oberste Reichsbehörden

Berlin, 19. Februar

Reichsjustizminister Dr. Gürtner gibt in einem Rundschreiben an die Landesregierungen, in dem er sich mit der Frage beschäftigt, inwieweit Auskunft aus den Strafregistern über Verurteilungen zu geben ist, die der beschränkten Auskunft unterliegen, der Auffassung Ausdruck, daß die obersten Stellen der Parteileitung der N.S.D.A.P. (die Reichsleitung und der Verbindungsstab) den obersten Reichsbehörden gleichzustellen sind und daher schon jetzt ein Recht auf unbeschränkte Auskunft haben. Im übrigen werde die Frage der Auskunfterteilung im Rahmen der allgemeinen Strafrechtsreform zu erörtern sein.

Eine Verfügung des Stellvertreters des Führers:

Die Auslands-Organisation der N.S.D.A.P.

Der Stellvertreter des Führers erläßt folgende Verfügung:

Die durch meine Verfügung vom 3. Oktober 1933 mit direkt unterstellte Auslands-Abteilung der N.S.D.A.P. führt künftig die Bezeichnung

Auslands-Organisation der N.S.D.A.P.

Der zu meinem Stabe gehörende Leiter der Auslands-Organisation mit der Bezeichnung Gauleiter ist der Pg. Ernst Wilhelm Bohle, Hamburg.

gez. Rudolf Heß.

München, den 17. Februar 1934

Der Stabsleiter des Stellvertreters des Führers gibt dazu folgende Ausführungsbestimmungen bekannt:

Die Auslands-Organisation ist die einzige zuständige Parteidienststelle für alle Parteiangelegenheiten im gesamten Ausland (mit Ausnahme von Österreich, Danzig und Memel).

Der gesamte Dienstverkehr aller Parteistellen mit den Organisationen der N.S.D.A.P. im Ausland ist ausnahmslos über die Auslands-Organisation in Hamburg zu leiten.

Nationalsozialistische Zusammenschlüsse usw., die in ihrer Tätigkeit die Reichsdeutschen im Ausland erheblich berühren, dürfen dies nur im Rahmen der Auslands-Organisation tun.

Alle Parteigenossen, die ihren ständigen Wohnsitz im Ausland haben, aber die zu ihrem vorübergehenden Aufenthalt ins Ausland reisen, unterstehen der Auslands-Organisation bzw. der Landesgruppe ihres Wohnortes, und dürfen in Deutschland Gauen nicht als Mitglieder geführt werden.

Der Stabsleiter
des Stellvertreters des Führers
M. Bo[illegible]

Nationalsozialistische Deutsche Arbeiterpartei

Landesgruppe U. S. Amerika

Anschrift: Heinz Spanknoebel, Fuhrer Schriftleiter der Deutschen Arbeiterfront
Treiben Adolf Hitler 1933 Detroit, Mich.

HITLERBEWEGUNG
EINGANG
LEIPZIG
CHICAGO ILL. U.S.A.

Detroit 17 janu 1933

Mein lieber Gissibl

Photographed by Int. Press for TODAY from original documents

On Febuary 17, 1934, the Foreign Division of the National-Socialist German Workers Party, or "N.S.D.A.P.", received official designation as "The Foreign Organization," in the decree by Rudolf Hess shown in the photograph above, at left. Ernst Wilhelm Bohle was given the rank of Organization Leader in charge of operations in foreign countries. By a further decree (photograph above, right) issued by the German Government at Berlin on February 19, the officers of the N.S.D.A.P. and the Government were declared to be on a parity. This identity of Party and Government had been a fact since January 30, 1933, when Hitler became Chancellor. As early as June 17, 1933, the members of the N.S.D.A.P. in the United States were using the official name of the Party, as is shown in the letterhead reproduced here. Shortly thereafter, the organization changed its name to its present title, "Friends of the New Germony"

Dr. H. Nielond (above) the deposed chief of the Foreign Division of the Nazi Party, at Hamburg, to which office Gissibl, leader in the United States, is responsible

"I do not belong to any secret organization of any kind (Freemasons, etc.). I am of Aryan descent, free of Jewish or colored racial traces."

This "leadership principle" is that which governs the Nazi Party proper. Over the local group is a leader whose responsibility runs directly, and only, to the leader of the division. Over the division leader is the party leader. Over the party leader stands only Hitler. The lines are as few as they are direct.

The word "cell" has a specific significance in the Nazi vocabulary. It means a grouping of individuals, as few sometimes as three or four, with definite functions in a definite locality. The entire Nazi Party in Germany, with its millions of members, grew from such "cells." Theoretically, each cell is of equal importance with the entire Party, just as each cell in the human body is vital to the whole organization.

Each "cell," however small, has its designated *Fuehrer*, or Leader, whose authority is absolute over all members. The cell-leader is answerable to no one except the Divisional Leader by whom he was appointed, and will take orders from no one else. So it runs to the top of the whole strueture, where stands the Party Leader himself, *Der Fuehrer*.

Hitler, upon becoming Chancellor, appointed Rudolf Hess *Der Fuehrer*. Hess then decreed divisional chiefs. To command all members of the Party in lands outside of Germany's borders, he has appointed Ernst Wilhelm Bohle as chief, replacing in that position Dr. H. Nieland, the earlier appointee. The offices of the Foreign Organization are in Hamburg and Berlin. From them the official commands to Party-comrades in foreign lands are issued, and accepted as absolute in their authority.

In its practical application in the United States there was but one flaw in this principle. Rivalry between Detroit and Chicago in the beginning and later between Chicago and New York, as to which should have preference in standing with Foreign Organization headquarters in Hamburg, existed, with the Foreign Organization reluctant, apparently, to decide the question.

Perhaps this reluctance sprang from a willingness to let the rivalry continue as a spur to organization throughout the areas surrounding the two cities, as it proved itself to be.

Perhaps it sprang from a lively memory of the results that attended the vesting of Heinz Spanknoebel with national leadership.

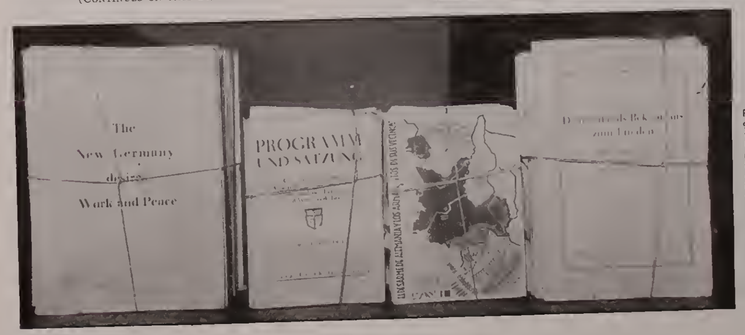
Five months ago this week, United States Commissioner Francis A. O'Neill issued a warrant for the arrest of Spanknoebel on the complaint of the United States Attorney for the Southern District of New York that the German had acted as an agent for the Reich without being an accredited member or attache of

(Continued on page 24)

Photos by Acme

Customs men in New York City seized 300 pounds of Nazi literature aboard the North German Lloyd freighter Este, February 6. Inspector Samuel F. Ants and customs workers are shown of the New York City Borge Office, looking over the literature

Heinz Spanknoebel (right), national leader of the Nazis in the United States until his activities attracted the attention of Federal officials and he was forced to flee



Packages of the propaganda literature (left) taken from the Este by United States customs men. The literature, ready for distribution to the recognized Nazi leaders in this country, explained the purposes and aims of the Nazi Party

Wide World

Orville Wright, co-inventor of the oirplone, shown in o lote photo with Mrs. Amelio Eorhart Putnom, predicts sociolism in ten yeors

What's Going on Here?

An answer by our traveling reporter,

FRED C. KELLY

LAST week I decided to go hunting. Or maybe I should say fishing. I wasn't after squirrels or bass, but information. I said to myself: "If I start out and roam over these United States and keep at it long enough, and ask enough questions of all manner of men and women, perhaps I'll find out something of interest. Sooner or later I may even hear something the newspapers have overlooked. As in hunting, or fishing, I may bag the best catch when I'm least expecting it. The only way to succeed is to try every pool or tree that seems to offer any possibilities."

I put into my suitcase a few shirts and collars, my Sunday suit for use when discussing affairs with the elite, and a more threadbare suit to wear when trying to place the proletariat at its ease, got into my once luxurious 1928 model coupé, and set out on a journey, without knowing exactly where I was going.

One of the first persons I met was Orville Wright. I had a long talk with him in Dayton, Ohio. Besides being co-inventor of the airplane, he is at heart a social philosopher. Slightly more gray than when I last saw him, but apparently in excellent health, he motioned me to a chair in front of the fireplace in his homelike mansion.

"What do you think we're headed for in this country?" I asked him.

"I think we're in for some form of socialism," he replied. "I used to think we would probably have socialism in about fifty years; but now it looks to me as if it might come in less than ten years."

"Do you say that in fear or in hope?"

"Neither," he said. "I simply think it's going to come. The only thing I hope about it is that if it comes, it arrives within my lifetime." Smilingly, he added: "It would be such an interesting thing to observe, in this country. I do hope I'm still here to see how it works."

"But you're a capitalist," I suggested. "You doubtless have investments."

"Yes, every penny I receive is from capital—interest on money invested. I have no paying job, do not receive any money whatever as salary or wages."

"Then, of course, you believe in capitalism?"

"I accept the interest," he replied, again smiling, "but for thirty years I have had grave doubts about the justice of getting interest for the use of money. Money, of course, doesn't produce anything of itself. Probably it's wrong to pay interest."

"But isn't present money worth more than future money?" I asked. "The old economists have always told us that is enough justification for interest—that if you postpone enjoyment of your present wealth, then you're entitled to more money back from the man you permit to take it and use it now."

"Yes, but you can look at that in two ways," declared Orville Wright. "If I am saving money now to use in old age—when I no longer have earning power, the most important thing to me is assurance that I really shall have the money in old age—that it won't be lost. If one knew a place where it would be completely safe, then one might be willing to pay a fee to the man, or to the government, that preserved it, just as we now pay fees for safe storage of other kinds of goods. As it is now, one can't well store up automobiles, machinery, or buildings, because they soon become obsolete. If you lend money to different people, hoping they will pay it back, part of the money usually gets lost. Even if you lend it to the government, and the government is still intact, you may still lose through decreased buying power of money. If you put it in a safe deposit box, you must pay the banker for the use of the box and, moreover, if you had now your money in gold you discover you are a lawbreaker. So you see the most important thing would be to get back exactly the same purchasing power as the money you saved. If you could be sure of this, you should be willing to pay interest, or a fee, for the protection."

"Without capitalism and the profit motive, would there be as many inventions as now?" I asked the inventor.

At this, Orville Wright began to chuckle.

"All I can say is that if a profit motive were necessary for an invention, most certainly my brother Will and I would not have invented the airplane," he said. "Instead of thinking about getting money out of an airplane, our chief concern was always to get money to put into it. We were at it for the sport. It was something to spend money on, because it interested us, just as a man spends money on golf if that interests him, with no thought of making it pay."

"Didn't it ever occur to you that if you *should* be the first to fly, the patents would have immense value?"

"No, because we never expected to get as far as we did in flying. We didn't expect it to go beyond the realm of sport. Commercial planes were beyond our dreams. If we had been thinking of making money, we would have tried to invent something where chances for successs were brighter."

"You didn't expect to see planes costing $50,000 or more, and the government appropriating millions for the air service?"

"No, when we first talked of building a plane for the government for $5,000, the government thought the cost was too great and

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The Dough Doctor

By PAUL MALLON

WHEN Jesse Jones was very young he wanted a horse. His father did not believe in giving children everything they wanted. The father gave his son a small pig instead

Jesse fattened the pig until it was a good sized hog, traded the hog for a calf, fattened and raised the calf to a cow, and traded the cow for a horse.

Since then, Jones has been carrying a pencil in his hand and a brain in his head, incessantly figuring, and trading to get what he wants out of this world.

What he wants now, at sixty, in the chairmanship of the Reconstruction Finance Corporation, is to pump the national lifeblood of credit into the weak, unwilling frame of a great nation's business. He wants to put spines in bankers and rubbers on the cold feet of business men.

Jones will get what he wants as surely as he got his horse—and by the same method.

The great Dough Doctor does not make much of a show of his business. He sits benignly on his pile of billions. Patients throng the anteroom outside his door. They wait for days to get a few minutes of his expert attention while they plead for his serum.

There is a lot of mystery about what goes on in the inner room. After all, we cannot all operate like General Johnson, in a gold-fish bowl. Bankers and business men cannot let the world know their secret pains and aches. As a matter of fact, the law under which Jones acts, provides jail terms for anyone disclosing the secret business of the RFC.

But if you promise not to disclose what you may now read, you shall learn how the Dough Doctor works.

Following are ten of his personal cases on an average morning, and the handling of each. Names have been omitted, and one or two cases slightly disguised to protect business confidences, but they are not hand-picked examples, nor are they colored. They show a cross-section of the problem and the method.

In comes:

Patient Number One—A hesitant, weazened business man from a small Illinois town. He needs $100,000 very badly to refinance his business, and wants to explain at length how he got into such bad shape. Jones wants to know what efforts he has made to raise the money privately. None. Has the man tried a certain Illinois bank? No, he has not, because he owes the bank a good deal now, and is afraid to ask for more. "Nonsense," says Jones, "you go to that bank and make them come across. I happen to know their cash position is pretty good. They are sure to give you the money to protect your other loan. Tell them I turned you down."

Patient Number Two—He is a banker and awfully sick. You can tell that by looking at him. But he does not seem to know what is wrong with himself. "What is your cash position?" asks Jones. "Well, I don't quite know, but I think—" "How much have you got in government bonds?" "Well, now let me see." "Sorry," says Jones, "but you need to learn more about your business. When you do, come back."

Case Number Three—Two bright young savings bank men from a Mid-West city. They say they have already had $3,000,000 of the doctor's serum. They only want to make their bonds mature in three years instead of twenty. They are sure that they can pay off in three years. Jones asks them five pointed questions about their fiscal condition. They answer quickly and intelligently. Jones grants their requests. Still Jones' pile is just as big as when he started the day.

Case Number Four—Two agents from an eastern insurance company want $350,000 to pay off a loan and build a six-story addition to their building. Jones turns them down quickly and they start to leave. They take it hard, saying he does not understand. "Well, explain it to me." They launch an explanation . . . "Don't think we can make this type of loan, fellas . . . we wouldn't lend you money to pay off someone else . . . What rent you payin' now? . . . That's too high, you can get the same space much cheaper two blocks away . . . What kinda building ya want to put up . . . Air-cooled? None of your competitors have air-cooled buildings . . . How much business did you do last year? . . . Why, you fellas are not rich enough to build an air-cooled building . . . The government cannot lend you money to put your competitors out of business." They argue, concede, abandon thoughts of air-cooling. Jones begins to warm up. He sees a possible way he *might* make the loan if they change their business methods . . . "Well, we'll help you solve your problem, but you must do it our way, not your way" . . . They dicker about collateral. He gives them $200,000. They go off to build their building.

Paticnt Number Five—A former friend who used to know Jones when he was so-o-o- high, wants some money to build a sanitarium and research institute on a 100,000-acre ranch in the Northwest. "Sorry, not a ghost of a chance."

Drawn for TODAY by Jimmy Berman

Jesse Jones, the great Dough Doctor, knows what shape business is in. He has the cold eye of a banker but the enthusiasm of a promotor

Patient Number Six—A fast talker from New York who wants to borrow on some cotton he is selling to Germany. It sounds good. Jones declines. He happens to know that the situation in Germany is such that he could never get his dollars out without a discount. He informs the patient that it can be done another way without a government loan, and tells the man how. The patient thanks him and withdraws.

Patient Number Seven—A banker wants a large loan. His papers show he is in good condition. He gets it inside of five minutes. (Remember, these are extraordinary cases which have already been investigated and judged by the doctor's assistants who handle the routine.)

Patient Number Eight—A suave Congressman who is not ailing himself, but speaks for a friend, starts talking as soon as he gets in the door: "I told your secretary I would give her a $5 gold piece for every second over ten that I stay." Jones says: "If you had a $5 gold piece you'd be arrested." The matter of the job is referred to another department in twenty seconds. The Senator does not pay the secretary, but goes off well pleased.

Patient Number Nine—A politician who has a relative in a bank somewhere. He has some papers applying for a loan for the bank. The politician knows nothing about it, cannot be bothered. Neither can Jones. The matter is referred, which is to say, side-tracked.

Case Number Ten—A business syndicate from the Far West comes in asking for a million dollars. Jones says: "No," first, and then asks them about it. They argue for a while and he agrees to let them have a quarter of a million if they will do certain things to correct their business. They argue some more and he offers a second quarter million if they will do other things. Finally they get $750,000, but they have agreed to put their business on an entirely different basis.

Thus they come and thus they go, the little fellows and the big fellows, thousands of them, day after day, Sundays included, month after month for a year now. The pile under Jones' chair diminishes by dollars, thousands, millions, billions. It shrank nearly $600,000,000 in December.

The RFC has been granted outright a total of $5,424,000,000 to date, and in addition Congress has authorized it to handle another billion for special purposes. So its total operations involve $6,424,000,000.

Up to February 28, 1934, it had paid out $4,786,000,000, of which $1,197,000,000 had been repaid. The amount of money outstanding on that date was $3,598,000,000, which shows that the doctor's office is hardly being run on a penny slot machine basis.

Who is this Jones person to be handling all this money, to be telling the captains of industry and banking, and the privates as well, how to run their business?

Well, he is just about the best man in the United States for the job. You can start off with that rather large assertion because everyone will concede it; except possibly the radicals. They have a suspicion that a rich business man cannot be a good public servant. It is difficult to see how Jones' job could be

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HAVE THE VETERANS A CASE?

Presumptive disability is the silver lining in war's clouds for many

By DOROTHY DUNBAR BROMLEY

WARS have their silver linings. At least for the men who come out of them sane and able-bodied.

It has been the time-honored American tradition to heap pensions, gratuities and special preferences upon all ex-soldiers who have worn the uniform in time of war, without regard to their deserts. Only since the depression seriously unbalanced the national budget has the public questioned this policy.

When President Roosevelt took office our annual expenditure for veterans' benefits was near the billion-dollar mark and was increasing every year under existing legislation. The President saw that something must be done and done quickly. So in the Economy Act of March 20, 1933, he laid down a new principle affecting veterans of the Spanish-American and World Wars. Those who had come out of the service less whole than they had gone in, would continue to draw pensions as the government's wards, as would their dependents. No other group of veterans, the President held, had any moral claim on the nation.

The Act accordingly struck from the rolls (a) the 426,000 veterans who, under a law passed in 1930, were collecting disability allowances for injuries and maladies admittedly incurred in civil life, and (b) all those whose disabilities, formerly "presumed" to have been service-connected, had antedated enlistment or had appeared later than one year after discharge (two years in case of advanced tuberculosis).

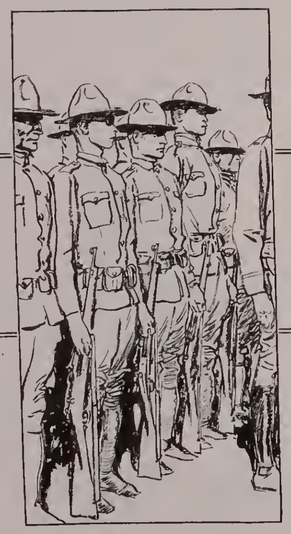
The presumptive cases had been placed on the rolls by the grace of two laws passed by Congress in the fulness of its heart. An Act of 1917 declared every enlisted person presumably sound in mind and body at time of enlistment unless the examining doctor found him to be otherwise. But the draft board doctors and the army physicians, working at top speed, slipped now and then. Today the records show that 77,000 of the 133,000 presumptive disability claimants suffered from their particular trouble before enlistment.

The World War Veterans' Act of 1924 ruled that a veteran showing a ten per cent development of tuberculosis, any neuro-psychiatric disease . . . or amoebic dysentery, prior to January 1, 1925, must be presumed to have acquired his disability in line of service. Medically speaking, the presumption was an absurd one, as any doctor will tell you.

The President's new deal in veterans' benefits, abrogating the legislative hand-outs of 1917, 1925 and 1930, was not to go unchallenged by the Congress that did his will in a moment of national crisis. In June, 1933, Congress forced him to whittle down the economy cut in service-connected pensions; to restore to the rolls 29,500 of the non-service-connected cases that were totally disabled, and to submit the presumptive cases to special review boards.

There were five members on each board, including a doctor and one other official from the Veterans' Bureau. The "outstanding citizens" who made up the majority were mostly ex-service men, many of them being members of the American Legion, the Disabled American Veterans or the Veterans of Foreign Wars, organizations that consistently have resisted cuts in veterans' benefits. A relatively smaller number were members of the American Veterans' Association, the only service men's group that has stood out against wholesale benefits to veterans. The 128 boards, scattered throughout the country, reviewed 51,123 cases. For some reason which the Veterans' Bureau has not explained, the remainder of the 133,000 presumptive cases were not given to the boards.

"An Indiona mon wos in the army far four manths. Three yeors later he filed o cloim far 'weakness af the knees, dizzy spells and foints which started when the coptain married and he hod ta drill in the hat sun far two haurs.' Until stricken fram the rolls, he callected o tatol of $11,178 fram the government"



A few boards struck from the rolls as many as seventy-five per cent of the claimants, and others ranged as low as twenty-five per cent, depending upon the type of cases that came before them, and their own attitudes. In the end, 29,000 veterans, or fifty-seven per cent of those whose cases had been reviewed, were removed from the pension rolls as ineligible under the Economy Act.

The boards had no sooner finished their work than pressure was brought to bear on the President to leave the rejected cases on the rolls until they could be reconsidered by a board of appeals to sit in Washington. In January of this year he agreed to this compromise. At the same time he conceded the point that veterans who had incurred their disabilities in civil life but who could not afford to take care of themselves, were to be admitted to veterans' hospitals as space permitted.

THE public, which has to pay the piper, has been pretty much in the dark about cases of presumptive disability. The inside story of the deliberations of one special review board should, therefore, prove enlightening. I have the facts from a man who served on the board. In the end, this board struck from the rolls seventy-two per cent of the 663 cases it passed on. Yet no one who has examined the board's findings, as I have done, could say that it deviated from the path of justice.

The boards were instructed by law to give the veteran the benefit of the doubt. This was a humane and a just provision. Among the 663 were a few men who had taken part in four or five major engagements, and although they had appeared to be fit at the time of discharge, the board decided that the stress of service they had seen might well account for their present mental instability. A typical case was that of a man from Michigan who is "incompetent and insane" today. When he returned to his old job in an office, he proved irritable and nervous and began to imagine that his employer had it in for him.

The benefit of doubt also was given wherever a pre-existing disability appeared to have been aggravated by stress of service. A man from the West Coast who had had chronic ear trouble, and who served for a year with the navy as a radio operator, became totally deaf in 1921 and a year later went insane. The board decided that "his ear condition was aggravated by the reception of radio signals and that his mental condition was the direct result of his ear trouble."

In such instances as these the Economy Act would have done an injustice if it had been allowed to operate automatically. Take the case of a former English teacher, a high-strung, supersensitive type, who is insane today. Drafted at the age of twenty-eight, he served only fifty-three days. But his family presented some twenty affidavits to prove that he had been normal before enlistment and that he literally had been driven crazy by the brutality of a top-sergeant. The medical authorities say that where a predisposition toward nervous instability exists, a sudden change of environment may be sufficient to throw a man off his balance—a fact which the board took into account in passing on this man's case as well as others of the same kind.

IN many of the dementia praecox cases there was evidence to show that the veteran had been treated for insanity prior to enlistment. It was found, for instance, that a drafted man from a small Indiana town, who had served twenty-five days in a depot brigade, had been in a state asylum for two years previous to his enlistment. But since his insanity had not been diagnosed when he entered the service, he had been collecting $100 a month, and had received a total of $13,010.

Another Indiana man stricken from the rolls, had been originally passed by the draft board doctor as a nervous type, fit for limited service only. He had been in the army for only four months. Three years later he filed a claim for "dizzy spells, weakness of the knees and faints which began when the captain was married and he had to drill in the hot sun for two hours." He had so far collected $11,178.

The pronounced dementia praecox cases present a problem, since most of them will have to be cared for by society in one way or another. But if a man's insanity cannot be attributed to war service, is there any reason why the Federal government should lay out for his pension considerably more than it would cost his state to hospitalize him?

Arrested cases of tuberculosis could not always be detected at enlistment A man who had been a bookkeeper in a Chicago mail-order house was drafted, served for fifteen days, was treated for tuberculosis, and discharged at the end of forty-three days. He admitted to the special review board that he had been in a sanitarium in 1911. Yet he has received to date a total of $12,163.

Claimants discharged from the service whole and sound had only to prove, under the World War Veterans' Act of 1924, that they had begun to suffer from one of the diseases specified in the Act, before January 1, 1925. A typical instance was that of a teacher in a state university who had come to the United States from Russia in 1914, been drafted, and served for seven months in camp. In 1925 he broke down as a result of over-work through teaching and studying and had to be put in an insane asylum. He has been collecting $100 a month on the strength of an affidavit from a doctor bringing his case back to 1923. The board threw him off.

Another man who had served as camp pharmacist for a little more than a year filed a claim in 1925 for "neuritis, which began in 1923," and later for multiple sclerosis. He had received $12,229.

Many of the claims disallowed by the board had been filed ten or more years after discharge. A reserve captain from Detroit who served in this country for two years filed a claim in 1930 for "hysteria and nervousness due to mumps contracted in service." When he was examined by the Veterans' Bureau in 1930 he admitted that his nervousness was caused by business troubles which began in 1929. Yet the Bureau had pensioned him at $71.75 a month.

Another officer, a former captain in the medical corps, who received no treatment during his two years of service, filed a claim for tuberculosis as late as 1929, frankly stating: "Now that I am sick and disabled I call upon the Veterans' Bureau for such assistance and relief as I am entitled to under the Act." He was pensioned at $76 a month. Still another, a former lieutenant in the Aviation Corps, who asked compensation for ear trouble in 1924, admitted at the time that he wanted to be put on the disabled list so that he could get vocational training at the government's expense. He aspired to be a lawyer.

A great many of the veterans sought to justify their claims under the new law by presenting fresh affidavits purporting to show that their disability had set in within one year of discharge. Inconsistencies and erasures appeared in a goodly number of these affidavits

"A farmer member of the Students' Army Troining Carps filed a cloim for tatal mental breakdawn. The doctar's affidavit on which he hos been allowed $15,104 states that his condition wos 'passibly occeleroted by his ormy service.' The conditian begon in June, 1918, when he failed to graduate ond his lady friend quit him"

Drawn for TODAY by Herbert Morton Stoops

The board struck from the rolls several drug addicts, an alcoholic, two deserters and one criminal who had been collecting pensions on the most doubtful kind of claims. A man who claimed to be suffering from hysteria threw a fit to impress the board. But the doctor noticed that he fell on his hands. He had been getting $100 a month.

There were ten women in the group, former nurses and yeomanettes. One, a pronounced dementia praecox case, who had been getting $100 a month, actually had served only sixteen days and had had "no unpleasant experiences while in camp." In one instance the board gave the benefit of the doubt to a nurse from California who had served for a year and had had pneumonia during that time. She asked compensation for tuberculosis of the knee joint, and she brought another nurse with her to swear that she had fallen out of bed while ill with pneumonia and injured her knee.

Still another nurse tried to rest her claim on the affidavit of a doctor whom she had subsequently married.

MOST groundless were the claims filed by men who had been members for a few months of the Students' Army Training Corps. As such they had drilled for a part of each day while they continued their studies. One of these men, a former student of a Kansas theological college, filed a claim in 1921 for a total mental breakdown. His history showed that his psychosis began in June, 1918, when he failed to graduate and "his lady friend stopped going with him." The doctor's affidavit, on the strength of which he has been allowed to date $15,104, stated that his condition "was possibly accelerated by his army service." The ten men in this group had served an average of 68 days each and collected in pensions an average of $89.67 for each day of service.

No one outside of the Veterans' Bureau knows the total amount the government so far has paid out in pensions on presumptive disability claims. But the figures on 149 of the cases which came before this particular board are significant. These 149 veterans had received up to April 1, 1933, an approximate total of $935,413, or an average of $6,278 per man. If the 149 were typical cases, the 29,000 claims which were turned down by the review boards —and which Congress would restore to the rolls—have to date cost $181,471,122.

Compare these pensions, ranging as high as $100 a month paid to men unharmed by their service, with the $30 a month paid to wives of men who have been killed in service, and the $20 paid to dependent mothers. Compare them, too, with the pensions of $100 a month paid to men totally incapacitated as a direct result of their service, or even the $150 a month paid to men who lost both hands or both feet. Is it just that the veteran who was uninjured by his service should be treated as well as the war-disabled—and better than the Gold Star widows? Let the taxpayer decide.

Virgil Thomson (above) neatly fits simple melodies together

Howard Hanson (left) gives us typically American composition

George Antheil (right) proved his talent for latest trends

Jazz Takes a Holiday

And a revival of interest in good music results

By IRMA GOEBEL LABASTILLE

THOSE of us who follow music, to whom the art is something more than a pastime or a pose, recognize in America today distinct developments in accomplishment and ideals. We see a growth of understanding and discrimination on the part of audiences; an unmistakable revival of interest in what is generally termed "good music"; increasing numbers to whom the concept "American Music" bears significance and invites attention. We find a new balance of power, a more extensive cultivation of the native musical product by listeners, interpreters, and composers. In short, the temper of the public mind has changed.

With this has come a lull in cacophony—that blatant, strident expression of the noises of the city, the beat and excitement of the hour, the modern adaptation to modern sound and modern life. Its vogue was international, just as Classicism, Romanticism and Impressionism successively swept the musical world. In America, at least, we have come to realize that the industrial moment is truly not all of the permanent reality of our civilization. For a new audience a new music must be supplied.

Audience, interpreter, composer, the three go hand in hand. Through them our musical growth is evidenced. Their influence is strangely reciprocal. The contact is an aesthetic one. The trend is in the wind, and box office receipts are the surest indication.

So far, American audiences have been cultivated largely on European music—on a stereotyped form of program in the recital hall, on gala performances and personalities at concerts and the opera house. For the performer the formula was safe. Capitalized by the manager, it was lucrative. The audience evinced an uncanny attentiveness to mechanical performance and a singular lack of regard for the music itself, its meaning and content. Now we have become less responsive to spurious methods of advertising. The good old recipes for programs are no longer efficacious. The fireworks display for conclusion, the popular piece as encore, are declining attractions in the recital hall. Beethoven's Ninth Symphony, his Missa Solemnis, Bach's B minor Mass, attract greater throngs than the "Fifth," warhorse of the touring conductor, stand-by of the novitiate. Ten years ago, or less, these greater works were truly beyond our reach. Granted even a gala performance, they were questionable musical fare for audiences yet unschooled for their grandeur, their simplicity.

IT must be that again we seek melodic beauty, that ingredient of music which never dies, the element of universal appeal, the tonal language long familiar. Of this none has been as conscious as the jazz boys of Tin Pan Alley, the writers of our popular songs. Upon melody they originally built their kingdom. To melody they again revert. Much has been talked against them, yet they have very definitely contributed if not to our cultivation, then to our education.

They have given us ballads, "blues," and crooners when we have leaned toward melody. When we wanted whoopee and noise they gave us cacophony. "Hot jazz for the cave man; sweet jazz for the sophisticate." To what extent they have been responsible for the international wave in cacophony it is difficult to estimate. Certainly, the jazz movement has borne influence not only on this side of the ocean but in Europe as well.

The modernists, in turn, seeking the underlying spirit of the jazz boys' inspiration, have not attained its perfect expression. Stravinsky tried it in his "Ragtime," Krenek in his opera, "Johny Spielt Auf," Ravel and others have likewise failed, as have those of our own craftsmen, the composers of our classics rather than our "jazzics," who have attempted to project the element of jazz rhythm into symphonic or operatic forms. To wit, Louis Gruenberg's musical setting for O'Neill's "Emperor Jones"—an interwoven texture of rhythm, rhythms of American origin, if you will, deftly orchestrated in familiar fashion, yet missing fire in the sense of what any African tribesman with a single drum can produce in five minutes. On the other hand, witness George Gershwin, perhaps our most important exception, and his "Rhapsody in Blue." At a stroke, jazz swept into the concert hall.

IT is composers such as these who accomplished the miracle of turning our native music into box office attractions—than which there is no greater stimulus to musical art! Demand, opportunity, an assurance of adequate production, have been created. Our composers are responding. Within a recent fortnight and a little more, three operatic premières, representative of their best efforts, attest to the fact. At the Metropolitan Opera, Howard Hanson's "Merry Mount," composed to a theatrical tale of early American Puritan days, shows us American composition of the conventional type. Tied firmly to European tradition, it lacks originality in its plausible tunes, its excellent choral treatment and orchestral scoring. Here is no arresting musical development. Nor do we find it in George Antheil's musical setting to John Erskine's extravaganza, "Helen Retires," given its first hearing at the Juilliard Graduate School. Antheil, once the "naughty boy" among American composers, has, however, proved anew his talent for discovering the latest trend. He knows that there is a lull in cacophony. He drops his penchant for enlarging his orchestra to include Liberty motors and mechanical pianos and approaches the problem of melody.

The claim of most of our young composers to our attention has rested on sensationalism—the exaggeration which will produce a hearing. The relatively simple devices, however, they have passed by—left them for Virgil Thomson to catch up and neatly fit together to the vague text of Gertrude Stein. Mr. Thomson does not venture far into the realm of dissonance. Instead, he uses simple tuneful material with superb technic, gives it substance, even seriousness, by means of a familiar and conventional harmonic structure, and the public responds.

Today there are hundreds of American composers, where yesterday there were but a few score. They have evolved, as yet, no predominant type of harmonic idiom. They are guilty of reckless workmanship and deeply preoccupied with the technic of orchestral devices. Melodically, they evince a preference, along with most modernists, for fragments of tune, the fractional repetition of the melodic line, a distaste for definite cadences.

With one eye on the showhouse, and one eye on the concert hall, George Gershwin accomplished the great transition in American music, as we have already pointed out. Just now, a third eye is on the opera house. A classic may succeed. His methods will not be Wagnerian, Verdian, nor those of a Mozart. His material, all new spirituals, will not imitate. The subject is "Porgy," negro-American. His ambition is strong. It is sincere. He may write for us the real thing in American music.

The Right of Petition: 1934

A new view of that great American institution, the lobby

By SILAS BENT

NEVER have lobbies been so numerous and so active at Washington as since Franklin D. Roosevelt became President. The economic implications of the New Deal have made this inevitable. Although I do not subscribe, for my part, to the theory that what is going on is "revolutionary"—since I regard it as the natural flowering of our political aspirations and experience, just as Fascism in Italy and Hitlerism in Germany are an aftermath of their autocratic tradition—I am willing to concede that the New Deal is radical in its intent. And its innovations have been such as to call forth the storm troops and the shock troops of every vested interest it affected. Mr. Roosevelt's program of "a permanent readjustment of our social and economic arrangements" has recruited innumerable lobbyists.

Mr. Roosevelt's requirement that Democratic National Committeemen and others with political influence cease "practising law" at the capital, and the behavior of Cabinet members in turning a cold shoulder to party workers who sought for fees to sway departmental action, give promise that a problem which has lain on our doorstep since the beginning of this republic actually approaches a solution. Even Senator Borah's six-year-old bill looking to that end has been brought out of limbo and reported favorably by the Senate Judiciary Committee. When offered, it was the tenth measure of that sort to be presented to Congress.

In Missouri it is libelous to call a man a lobbyist, and in Georgia the constitution of 1877 brands lobbying a crime. When one reflects on the bad company the word has kept, there need be little surprise at these severities. Yet lobbying is an inescapable and, indeed, desirable part of the democratic process.

Founded in a realization that our political system of representation often is ineffective, lobbying has its good constitutional basis in our right of petition. Why is it that we see only evil, hear only evil, speak only evil, about an essential function of organized self-government? The chief reason is that we hear of the lobbyist when his skullduggeries come to light. We seldom hear of the good work he accomplished, for only his rascalities appear to attract notice on the floors of Congress or in the press.

THEORETICALLY, the lobbyist is an outsider who tries to influence legislation and policies of departmental movements. With the development of his craft, however, we find him nowadays on the floor of the legislative chamber, a condition which the Borah bill is directed against, or privy to Administration councils, a condition which Mr. Roosevelt plans to stop.

Propaganda is the hand-maiden of the modern lobbyist, for lobbying is a sort of personalized propaganda. Innocent enough in itself, propaganda has kept bad company, too. From an educational agency, first employed for religious evangelism and proselyting, it developed into special pleading. Now, in criminal court procedure, the jury hears two special pleas, but the judge is there to weigh one against the other, and to charge the jury about the facts and the law. In the case of propaganda, there is no such intermediate and presumably impartial agency. Thus the public is likely to be confused, even when it hears both sides, which does not always happen. The public itself has no lobby.

The lobbyist-propagandist, not content with the legislative hearings, personal contact, the press, the radio and the public platform, has been known to invade the school room, to doctor textbooks, to use everything, as one of them airily observed, "except skywriting." Even the stodgy columns of the *Congressional Record* have been littered with his special pleas. Members of the House and Senate not infrequently cause to be incorporated in the *Record*, perhaps as "extensions of remarks," documents prepared for them by lobbyists, and then even frank the *Record*, at the taxpayers' expense, to constituents and to newspapers.

"The worth of men," Whiteside said, "consists in their liability to persuasion." Presumably he had reference to open-mindedness, a valuable characteristic; but the propagandist and the lobbyist know that quite often liability to persuasion means the simplest gullibility. Senator Edward P. Costigan of Colorado, discussing the attacks on the bill to regulate stock exchanges, said: "It is immaterial whether the campaign against this legislation is referred to as publicity or as educational work or as propaganda." The favorite word is "educational." A pill thus sugar-coated is swallowed easily.

ALTHOUGH the word "lobby" did not become general until the middle of the last century, the practice dates back to the origins of this country. Selfish interests brought pressure to bear on the first Congress, and William Maclay wrote later in his journal, in regard to a fiscal measure: "I do not know that pecuniary influence has actually been used, but I am certain that every kind of management has been practised and every tool at work that could be thought of." If we suppose that a soldier lobby, intimidating national legislators, is something new in our history, we may as well ponder the fact that the first debate about moving the seat of government away from Philadelphia was provoked, in June, 1783, by a group of mutinous soldiers who became positively insulting about back pay.

There was an early lobby in regard to ocean mail, too. The Pacific Mail Steamship Company wanted a subsidy, and got it; and an investigation disclosed bribery of government officials and Congressmen. In the Crédit Mobilier scandal, railroad shares were exchanged unblushingly for votes and for official influence; investigating committees in the Senate and House recommended sternly that certain members be expelled, but nothing worse came of it than a vote of censure.

Even in that day, voters began to perceive that the lobbyist often bespoke special interests. The railroads and other big corporations were strongly suspect, and as time went on left-wing organizations augmented their following on the basis of these suspicions.

Then it was that the farmer, the laborer and the reformer began to see that they should have their lobbies, in self-defense if for no other reason. Having no money to speak of, no corporate shares, no financial tips and no "preferred lists" at their command, they rested their persuasion on blocks of votes. It was thus that propaganda supplanted filthy lucre as the principal instrument of the craft.

SINCE 1870, bills have been introduced intermittently in Congress to regulate the lobby, and all of them met failure. Thirty-two states, however (Wisconsin was the first, in 1899), have enacted measures looking in that direction. Nearly all of them provide for the registration of lobbyists, what interests they represent and what legislation attracts them. Even when not evaded or ignored, they have proved mostly ineffectual, for they have failed to justify the hope on which they were founded, that publicity would provide a cure. "Most schemes of political improvement," said Doctor Johnson, "are very laughable things;" and the lobbyist has laughed up his sleeve at attempts to legislate him out of existence, or to embarrass him with the spotlight. He cannot be abolished, because he is a part of our system, and he has the support of millions of sincere voters.

It is difficult to frame a law, or to define lobbying, without trespassing on the rights of citizens to appeal for a redress of grievances. We ought not put stumbling blocks in the path of those who wish to make clear to legislators their honest views. Nor is it desirable for legislators to function in a semi-vacuum. But the activities of the lobbyist can be regulated, and now that we are demanding truth in statements about corporate securities certainly we could demand truth in representations made to Congressional committees by letter, by telegrams or in person. We could require that the lobbyist not only register, but that he make sworn reports of his activities, and file duly attested copies of his briefs and other communications. And we could penalize misleading statements as well as false reports.

During the present regime much that formerly was done legislatively has been done administratively; thus the matter of the tariff may move down Pennsylvania Avenue from the Capitol to the State Department, to revert again to a conspicuous example. As a part of this change, we have seen the inauguration of inter-departmental reports as a basis for new laws.

This situation, so long neglected, calls for good temper, clear heads and a due regard for the right of citizens to assemble freely and express, as emphatically as may be, their preferences and prejudices. But it is not a situation which this resourceful people is incompetent to meet; and when Congress faces the music, squares its shoulders and enacts a satisfactory law, we may be sure the states will profit by the example.

THE WEEK IN WASHINGTON

War Drums Muffled in the East

THE exchange of friendly messages between Foreign Minister Hirota of Japan and Secretary Hull made a favorable impression throughout official Washington. There is no apparent disposition to overestimate the significance of the exchange. The questions existing between the two countries are difficult in many respects: the Japanese have created a profound feeling of distrust in their motives during the last two and one-half years, and so long as the militarists are in control of their policies the distrust may not easily subside. Skeptical observers see in the approach of the Japanese no more than an effort to offset the *rapprochement* between the United States and the Soviet Union, as a preliminary to armed conflict with the Russian Bear.

This diagnosis may prove to be correct, but the prevailing feeling is that the danger of war between Japan and the Soviet Union this year has substantially diminished. Opinion in Washington is convinced that the Soviet Union harbors no aggressive designs in the Far East at the present time and that without ample provocation it will take pains to avoid war with Japan, at least until the industrialization of the Soviet Union has advanced farther and rail transportation to the Far East has been improved. If Japan refrains from a "preventive" war to seize Eastern Siberia during the year or so while she holds a military advantage, the danger of a conflagration in the Far East will be considerably lessened for a number of years to come, according to the predominant view in Washington.

Despite their skeptical brethren, the optimists see in Foreign Minister Hirota's friendly gesture an intimation that the Japanese are planning to rest, for the present, on their achievement in Manchukuo. If that is so, the chances are considered at least fair that an exchange of views between Japan and the United States during the next few months will accomplish something.

Behind all the domestic activity of the New Deal, there has been some hard thinking during the last year about American policy in the Far East. The realization has grown that, after all our efforts to avoid guaranteeing the maintenance of the *status quo* in Europe, we got much more dangerously involved in a vain effort to preserve the *status quo* in the Far East by mobilizing world sentiment against Japan. The decision as to whether or not he should support the Stimson doctrine of non-recognition was put up to Mr. Roosevelt shortly before his inauguration, just before the issue came to a head in the League of Nations. If he had refused to support the doctrine, very probably the Japanese would have felt that they had been given the signal to plunge ahead and grab as much as they could.

Fortunately, the domestic crisis soon pushed Far Eastern news into the inside pages of the newspapers and irritation was allowed to subside. Following the Spring breakdown of the disarmament conference, Mr. Roosevelt decided to go ahead with the enlargement of the fleet. He extended a friendly hand to the Soviet Union, the nation with the greatest interest in stopping Japanese expansion in Asia, which certainly was a more effective piece of diplomacy than Mr. Stimson's drumming up of indignation among the small powers of Europe. At the same time, Mr. Roosevelt obstructed the use of this recognition for propaganda purposes by the Japanese militarists by announcing that the fleet would be withdrawn from the Pacific waters during Spring of the present year, at the very time that the Japanese probably would begin operations against the Soviet Union if they intended to undertake them this year. Some observers consider the decision to build up the fleet, the flight of the Navy planes to Hawaii, and the recognition of the Soviet Union the more effective actions; others would lay emphasis on the disarming of the military propagandists by the decision to withdraw the fleet. At any rate, the Roosevelt policy has been a realistic combination of the show of force and conciliation.

Here and there in the Administration it is possible to find a man who will challenge the fundamental premises of American policy in the Far East. The Open Door and the maintenance of the integrity of China have been predicated on the belief that China is an important market. Mr. Stimson devoutly believed that the future of American commercial expansion lay in the Far East. A good many of the advocates of remonetization of silver believe that—or say they believe it. Some of the more romantic agricultural specialists are still talking of educating the rice-eating population of Japan and China to give up their home-grown food in favor of American wheat. By the old-fashioned capitalistic methods of exploitation there is an enormous potential market in China, without question.

Secretary Hull has not publicly disclosed his views, but it is an open secret that for more than a year he has been throwing cold water on the idea that there is any such thing as an "inevitable" war between the United States and Japan. Coming from the Administration's foremost advocate of the stimulation of foreign trade, this viewpoint is doubly significant. There has been repeated indications that Mr. Hull is much more realistic than some of the professional diplomats of the State Department in appraising American interests in the Far East.

In spite of the denials from Japan, which were to be expected, considerable credence is given the reports that Japan may be induced to accept a naval ratio below parity with the United States, at least in battleships and heavy cruisers, in return for revision of the Japanese exclusion clause, recognition of Manchukuo, and abandonment of the naval and air bases in the Philippine Islands. These are the obvious trading points. The success of conversations during the next few months or year depends, of course, very largely on whether the militarists or more liberal elements are able to prevail in Japan.

Unfinished Work Piles Up

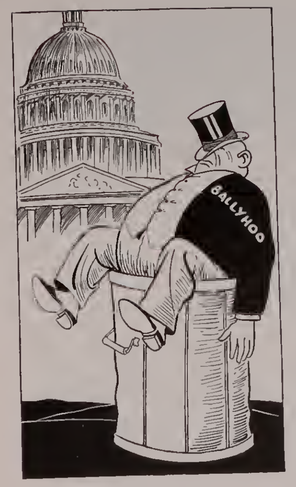
CONGRESS has been permitting unfinished New Deal business to pile up in the last few weeks. Among the important matters to be acted upon by one or both houses before the session ends are:

The Bankhead cotton control bill.
The President's sugar control plan.
Tariff-bargaining powers for the President.
Stock exchange regulation.
Creation of a communications commission.
The Wagner National Labor Board bill.
Touching up the Securities Act.
The $2,000,000 public works appropriation.
Creation of intermediate credit banks.
Restrictions on the legal activities of party officials, Congressmen, and curbs on lawyer-lobbyists.
Guarantee of principal of Home Owners' Loan Corporation bonds.
The Pure Food and Drugs Bill (which has been so badly emasculated that it might as well die in committee).
Relief for municipal finances.
The railroad legislation which Co-ordinator Eastman considered imperative.

That is a sizeable docket. A few items will be permitted to go over until next year, but most of them are needed at once.

Methods Need Analysis

THE air mail episode has had a sobering effect throughout the Administration. The disturbing air of excessive confidence which was so noticeable a few weeks ago has disappeared. The realization is spreading that the second year of the New Deal may be harder than the first—if for no other reason than that the hopes of the nation have been raised remarkably high by the first year and it is difficult to hold the pace set in the first phase of the New Deal. The monetary controversy has faded into the background, and with it has gone the easy theory of some of the monetary economists that the revaluation of the dollar would automatically reopen the door to prosperity. The healthy idea that continual re-examination and improvement of methods are indispensable to further advance has begun to pervade the Administration.



The keenest observers in the Administration are, in fact, braced for a season of extremely critical analysis of the New Deal. They are no longer talking of carrying the Fall election by the sheer momentum of the President's popularity. They expect a pretty severe verbal mauling from the conservative Republicans, rather than the quiet campaign which some of the Administration's politicians were forecasting not long ago. As they see the political picture, the country is no longer responsive to ballyhoo; the groups which have felt the benefits of the New Deal less than others are becoming more assertive, new issues are standing out in bolder relief, and the vested interests which at heart have always been opposed to the New Deal are ready to spend money and energy in protecting their positions.

Generally speaking, the better minds in the Administration welcome widespread popular debate—if it can be held to realities and not obfuscated by party propaganda. Secretary Wallace has led the way in inviting and provoking such debate. When issues are properly threshed out, in the press and on the platform, the Administration can move more surely.

It is generally admitted that the air mail episode has reacted unfavorably on the Administration. Many members of the Administration believe that the President had full justification for the summary annulment of the air mail contracts, and that he simply had a combination of bad luck and bad advice concerning the ability of the army to carry the mails. Most of the liberals in the Administration would feel better, however, if they thought the President's substitute plan offered any substantial improvement over the old air mail contracts other than the probable elimination of financial racketeering and a saving of a few million dollars a year to the government. They feel that there is a real danger of pushing competitive bidding so far as to sacrifice safety in passenger transportation and to curtail experiment and expansion. They are fretful over the waste of an extraordinary opportunity to make air transportation a government-owned or rigidly government-controlled monopoly. However, they have not been consulted.

The Administration expects to hear a great deal about the air mail contracts during the coming campaign. However, the best political tacticians do not regard it as much of a vote-getting issue, either way. They know that the New Deal must stand or fall by its success in increasing employment and restoring prosperity to the farmers.

As a preliminary to the Congressional campaign, party labels, ties, and traditions are being taken out of the mothballs. The political strategists of the Administration would be pleased to see a little less party consciousness among the Democrats in several states. It is interfering with the President's endeavors to absorb the Republican Progressives into the Democratic fold. Senator LaFollette evidently will have Democratic opposition in Wisconsin. Although he has not supported all the Administration policies, he supported Mr. Roosevelt for the Presidency and is representative of the Progressive thought in the Northwest which belongs in the New Deal and should not be alienated, even in part, by partisan rivalries.

The pathetic notion that the peaceful social upheaval of 1932 was a grand endorsement of the state and county chairmen of old-line Democracy still lingers among some of the latter brethren.

Mr. Walker's Tasks

SINCE the recent observation in this column on the mysterious secretiveness of the National Emergency Council concerning its duties and actions, the Council has issued its valuable manual of the New Deal and established an information bureau in Washington. These are useful, if routine, services.

Incidentally, a few of the conservative journalists took our commentary as a cue to break forth with stories to the effect that Frank C. Walker, executive director of the Council, had no real authority and was performing no real duties. There never has been any doubt as to his authority and his energy. Our criticism was directed primarily at the inexcusable secrecy surrounding his work and at the failure of the National Emergency Council to rise above the obscurity of such bodies as the United States Geographic Board and the International Boundary Commission.

It now develops that one of the important tasks on which Mr. Walker is working is the coordination of all Federal activities with respect to housing and slum-elimination. At present these activities are scattered among PWA, CWA, HOLC, the Emergency Housing Corporation, Tennessee Valley Authority and Subsistence Homesteads. The need for coordination is obvious.

HOLC Advances

The Home Owners' Loan Corporation, which was the rearguard of the New Deal procession not so long ago, has been advancing with rapid strides in recent months. Up to March 9, it had granted 114,678 loans amounting to $325,151,720, and it had 540,000 additional loans in the final stages of negotiation. The proposed guarantee of principal of the corporation's bonds should remove the last impediment and bring in another batch of applications. Up to September 23, more than three months after the corporation was created by law, only 369 loans had been granted, and in the next four-week period only 1,761 loans were made. Since then the pace has been cumulative, and in the last four-week period, 37,499 loans were made. Of the total amount thus far put out, more than $18,000,000 has gone to local governmental units for the payment of back taxes.

One aspect of the Home Owners' loan project which has received little publicity is the assumption of large blocks of mortgages held by closed and restricted banks and by building and loan associations. More than $38,000,000 has been used for this purpose, with the result that several closed banks have been enabled to reopen, and a number of restricted building and loan associations have been enabled to grant resumption of withdrawals.

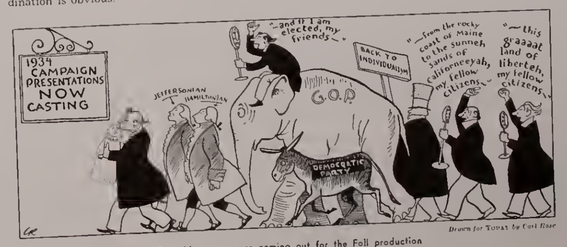
The President's endorsement of the Norris amendment to keep politics out of the Home Owners Loan Corporation created general satisfaction in the Administration.

RFC-Reserve Board Rivalry

THE RFC and the Federal Reserve Board-Treasury combination are engaged in spirited rivalry for the job of establishing intermediate credits for industry. The President has endorsed the plan for the creation of twelve intermediate credit banks within the Federal Reserve system to make one- to five-year loans to industry. The Reconstruction Finance Corporation put in its own bill authorizing direct RFC loans for the same purpose. RFC officials assert that they had the authorization of the White House to submit their own plan to Congress. The Federal Reserve plan has been devised with evident consideration of the necessity of forcing the hands of timid bankers and assuring that sound loans are really made. However, to fortify the now celebrated cupboard with another "birch rod," some members of the Administration would like to see the RFC also authorized to enter the field, when and if the President might consider it necessary.

Chairman Jesse Jones of the RFC is rolling in surplus funds, as corporations and other early RFC borrowers repay their loans. Loans are being paid off at the rate of about $3,000,000 a day. Mr. Jones estimates that the total of repayments for the fiscal year will be close to $725,000,000.

—R. F. A.



The old troupers are coming out for the Fall production

VINCENT ASTOR, Publisher

RAYMOND MOLEY, Editor
W. P. BEAZELL, Assistant Editor

WILLIAM C. STEWART, Managing Editor

What is Hitlerism?

HITLERISM'S invasion of America, portrayed in a series of articles beginning in this issue of TODAY, is a rather clumsy and unpleasant insult to the intelligence of the people of the United States. An overwhelming majority of American people believe in our democratic state, in the principles of tolerance, individual liberty and the orderly discussion of public affairs. Hitlerism is the antithesis of all these things. If left to itself, it constitutes a growth from which a continuous flow of poison is injected into our American civilization.

We have had in this country only a partial picture of what Hitlerism really is, a picture that has shown only its bolder outlines, its more lurid colors.

The whole picture shows a state that is everything and an individual that is nothing.

It shows a state that has regimented the daily lives of its people even to the details of the societies they may belong to, the occupations they may follow and the stores they may patronize.

It shows a state that has undertaken to legislate out of existence all races but one.

It shows a state that says to Protestant and Catholic as well as to Jew how they shall serve God and what hymns they shall sing in His praise.

Hitlerism's very existence is a negation of American principles. The secret means that it chooses to extend its influence, its exploitation of race and religious prejudice and its glorification of force, violate every American instinct of fair play and square dealing.

TO my mind, the question of whether there is a direct connection between the Hitler movement in Germany and the Hitler movement in this country is incidental, although there is a great deal to show that one exists.

The point is that the movement in this country is conceived in the image of the movement in Germany. It is devoted to the same philosophy; it has the same form of organization; it uses the same emblems. Many of its leaders were trained in the Hitler movement in Germany. There is evidence that there is a steady passing of these leaders back and forth between Germany and the United States. The menace is not Hitler's direct influence in this country. The menace is in Hitlerism, of which the Chancellor of Germany is but the puppet and the mouthpiece.

WHAT is Hitlerism and why is it in absolute conflict with the form and philosophy of American government?

Despite many learned treatises on the subject, the average man has probably failed to realize that the modern state is a comparatively new thing in the history of the world. Long ago there were tribes, and a tribe, based particularly on blood relationship, was the central unit of government, of religion and of all factors in community life.

As the centuries passed, and the things that make civilization came into being, the state emerged. The state was the modern embodiment of only one of the functions of the ancient tribe. It was a political unit with limited powers over the people who composed it. Within the borders of the state, other activities of which the tribe had been the center, were carried on by the church, by the family, by community groups. This modern state lived with all the other agencies, but did not attempt to identify itself with them. Then the state became democratic. The basic idea of the democratic state was the sovereignty of the people. In the exercise of sovereignty, the people were permitted liberty within the general restrictions of law. Thus the basis of the modern state differs from that of the tribe in two respects.

First, the idea of tribal, blood relationship has disappeared, because many races, religions and people have come to live together under common laws. Hence, the modern state does not look upon the stranger as an enemy, because it is in a sense an association of those who were strangers.

Second, the state does not attempt to absorb all of the rights, liberties and functions of the individuals in it. The modern state has within it freely functioning churches, labor organizations, business organizations, social organizations and many other group activities necessary to the wider growth of civilization.

The great principle that permits this kind of a state to live is liberty under law. On the basis of this principle the United States and other enlightened nations of Western civilization have operated for generations.

We may as well recognize that the principle of the democratic state is experimental. The length of its life is infinitesimal compared with the age of the world. Tribal cohesion with all of its barbaric attributes was old before democracy was born. But democracy, in the light of common sense, has been accepted as the best, in fact, the only way to achieve the objectives of civilized government, which are, as our Constitution points out, "to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

Because, in our belief, our form of a civilized state is the way to these precious values, we have dedicated ourselves to making this form of government permanently successful. But the ways of democracy are not always perfect. Justice sometimes seems to lag. Want and suffering persist and the people in their suffering sometimes have reverted to the ancient gods of the tribe.

The drift of the German people to Hitlerism is the most recent of these reversions. After the War, Germany, under the constitution of Weimar, sought to build up the principle of a democratic state. But the government under that constitution faltered in its attempts to establish economic justice and well-being. The people grew desperate. Hysteria swept away the democratic experiment in a burst of enthusiasm for the ancient gods. Hitler was the mouthpiece of this revolt.

The ideas behind him are as alien to the modern world as the horned helmets of the Vikings. They are crudely simple. The state is made up of Germans of common blood, common religion and a common ancestry; all others are aliens and all aliens are enemies. Within this tribal state, dominated by this one tie, all individual differences are ruthlessly suppressed.

The state is the sole source of civil and moral obligation. It is superior to all other groups and forms of life.

It standardizes intellectual and cultural activities. It extinguishes a free press. It uses the press, the radio, only to propagate its own ideas. It uses universities as agencies of its primitive forms of knowledge. The citizens, young and old, particularly the young in the schools, are taught that individuals are unimportant. The citizen is a grain of sand to be used in the building of the great German state.

Justice is administered for the purpose of enforcing the will of the head of the state upon the citizen. Religious and fraternal groups, trade unions, even the Boy Scouts are swallowed up. The conception of the state destroys the rights which were slowly attained by women and they become once more mere domestic drudges.

MOST tragic and serious of all is the subjugation of religious beliefs to this barbarism. It is not only the Jewish religion that has been ruthlessly suppressed. Catholic and Protestant churches likewise have been persecuted, because Hitlerism is a god that will not have strange gods before it.

Moreover, this tribal state does not content itself with the establishment and maintenance of discipline within the tribe itself. Its ideas are world ideas and its purposes are international. War is the instrument of its ascendency. As Hitler said in his book, *My Battle:*

"It is necessary, then, for better or worse, to resort to war if one wishes seriously to arrive at pacifism. In reality, the humanitarian and passive idea will perhaps be excellent on that day when the man superior to all others will have conquered and subjugated the world first of all in such a measure that he becomes the sole master of this earth. First, then, the battle, and afterward—perhaps—pacifism."

In the establishment of the supremacy of this entire philosophy over what its believers would call the hopelessly inadequate idea of democracy, every primitive means of gaining an advantage is justified—propaganda, falsehood, the invasion of other countries by subtle insinuation—to the end that ultimately the world purpose will be achieved.

THERE is a school of thought in America that seeks to be so tolerant that it will find reasons for withholding a judgment as to Hitlerism. It points out that America is not wholly free; that prejudice lives here too; and that we should become perfect ourselves before we criticize others.

The answer to these claims is that whenever we try to find excuses for this idea of the state and this system of government, we are repudiating the principles upon which our own government is based. As Burke said in his immortal speech on conciliating America:

"In order to prove that the Americans have no right to their liberties, we are every day endeavoring to subvert the maxims which preserve the whole spirit of our own. To prove that the Americans ought not to be free, we are obliged to depreciate the value of freedom itself; and we never seem to gain a paltry advantage over the Americans in debate, without attacking some of those principles, or deriding some of those feelings, for which our ancestors have shed their blood."

We cannot find excuses for what Hitler has done without at the same time finding reasons why our faith in our country is a hollow pretense.

Regardless of what our attitude should be as to what is happening in Germany, we have the right as Americans to be deeply concerned with the spreading of a similar doctrine in this country. The growth of Hitlerism in the United States is inimical to orderly efforts that Americans are making to attain a more humane government and a larger measure of social justice through our own democratic methods. The essential reason why Americans should be concerned over the growth of Hitlerism is that it is destructive of American principles.

As an editor, I am concerned with giving the fantastic development of Hitlerism in this country a thorough airing. I think the American people when they see it in all its ramifications will be sufficiently aware of its dangers to protect themselves from it.

I do not believe that they ought to attack it with force. I think that it is so unintelligent, so barbaric, so utterly out of keeping with the sane atmosphere of this country, that to drag it out in the open light will be the surest way of bringing it to an end.

Raymond Moley

International, Acme, Harris Ewing, Wide World

Penetrating Close-ups of

THE NEW DEALERS

A Book Review by

The Not Unofficial Observer

FOR weeks Washington has been agog with speculation as to the identity of an author who calls himself "The Unofficial Observer." He has been writing a series of articles in the Washington *Post* under the general title of *The New Dealers—The Low Down on the Higher Ups.** Here it is in book form with the addition of a good deal of material not published serially. If I may express a judgment in advance, we will witness a tremendous interest in this book.

The book is crammed full of vivid and penetrating close-ups of the fifty-odd persons who have figured in the first year of the New Deal. "The Unofficial Observer" has tried to tell how they got into the New Deal, "how they got that way in the first place, what they have done about it, how they get along with each other, and what they're like as human beings."

The author withholds his name because he does not want to offer his body as a *pièce de résistance* for political lynching parties. Unlike most anonymous writers, however, he makes every effort to be fair and to avoid the irrelevant and the gossipy, except in one or two regrettable instances.

In such a book, an important measuring rod is always the extent to which people who are being discussed reflect the point of view of the person who is doing the judging. The most interesting thing about the author of this book is his orthodox devotion to the unorthodox policies of the new Administration. The standpatter, the Democrat who expected this to be just another Democratic administration, the cynic, the timid and the economically blind are not going to like it, although I judge that they will read it assiduously.

A few of the many really brilliant short characterizations which the author has scattered through his pages must be singled out for note.

"Garner is living proof of the political axiom that you can travel a long way if only you stand still long enough."

"Berle is an infant prodigy who has irritated everybody by continuing to be a prodigy after he has ceased to be an infant."

Of the President, the author writes: "Roosevelt is essentially the product of four very important factors—a good family, a good digestion, a good education and a bad illness."

But in this review, I shall follow the illogical course of ignoring the body of the book. The judgments as to personalities, I am not going to comment upon. That will undoubtedly be the preoccupation of most reviewers, and justly so, because essentially this is a brilliant, witty and penetrating book about persons and not about policies. Policy, however, is the cord upon which these personalities are strung.

According to the author, the Roosevelt revolution did not start with the Roosevelt Administration. Neither will it end with the Roosevelt Administration. "We are having a revolution and the revolutionary process will take from ten to twenty years. For revolutions have a habit of behaving pretty much as they please and of reaching their final goal against the announced will of all concerned." But the author believes that the revolution "will succeed both because of and in spite of the men and measures which began it."

The revolution was caused "by one very simple fact—that we can produce more than enough for everybody in this country. This is something new in human history and is a force as explosive as the gunpowder and the printing-presses which wrecked Medieval Europe. The Roosevelt election of 1932 was simply one of a series of psychological explosions involved in adjusting our civilization to the fact of permanent plenty."

The author believes that the greatest achievement of Roosevelt was not in the field of social and economic invention, but in taking the infinitely varied strains of progressive thought of the past generation, combining them with the past experience of the new governments of Europe and blending these divergent elements "so calmly and with so friendly a smile, that even after a year of the New Deal there are still people who do not realize that a revolution has taken place . . . Roosevelt's art is that he has combined familiar ideas with familiar methods in such a way as to produce something so unfamiliar that we have no word for it."

The revolution, according to the author, "would have come anyhow, but it could not have come so peacefully in any other way." Moreover, "the New Deal will go on—as either a peaceful revolution or a bloody one—for ten, twenty or fifty more years, until it has achieved its purpose. It may be halted again for half a generation, as it was halted by the World War. It may move so rapidly as to astound all save those who have studied the acceleration of our physical machinery and technical invention. Slow or fast, the New Deal is moving to establish a better distribution of American abundance, and Roosevelt is simply a symptom of that process and not its cause."

AT the end of his last chapter, which, incidentally, is called "Public Enemies," and is devoted to those inside and outside of the Administration who are obviously out of sympathy with its fundamental purposes, the author ventures a few predictions. He points out the essential facts that many people forget—that party machinery and election machinery are largely in the hands of reactionaries everywhere in both parties; that there will be decided danger in case the New Deal fails to produce a rapid restoration of fairly general well-being; that a Tory coalition might, with some such popular figure as Al Smith, succeed in undoing the work of the New Deal; that "the only possible way of anticipating this danger is . . . by organizing the progressives, liberals and independents of all parties and doing it first . . . For the real victims of the New Deal are obsolete ideas and irrelevant ideals. Ideas and ideals can die—can even be brutally murdered—with less suffering than the Old Order casually inflicted on a million undernourished children. Let them die and let them pass in the inextinguishable laughter of the gods. For the New Deal is a laughing revolution. It is purging our institutions of the fires of mockery and it is led by a group of men who possess two supreme qualifications for the task—common sense and a sense of humor."

It is this theme running through the book and the obviously sincere effort to make individual judgments in the light of this standard that makes *The New Dealers* significant.

* The New Dealers, Simon and Shuster, $2.75.

Pat O'Brien adds to his reputation in "Gambling Lady," a scene from which is shown above

Mickey Mouse's Art

Walt Disney produces three more fine movies

By LOUIS WEITZENKORN

FUNNY LITTLE BUNNIES, THE GRASSHOPPER AND THE ANTS and CAMPING OUT, two Silly Symphonies and a Mickey Mouse picture, produced by Walt Disney.

LONG after the public has taken something to its heart without the slightest self-consciousness, the highbrow moves in and appropriates it as a discovery. The painful memory of Charlie Chaplin's adoption by the intelligentsia lingers. The woeful results are pretty well known. Chaplin began to make pictures for the drawing room.

Up to the moment, Walt Disney, if he hasn't escaped being bound into the seven lively arts, has at least remained aloof. He goes on in his serene way, hitting the target with each shot. Probably, like any good craftsman, Disney first of all pleases himself and, because he possesses both good taste and that inexplicable quality, the right feeling, he succeeds whether his charming animals cavort in New York or New Paltz.

Just announced is the forthcoming appearance of three excellent creations of Disney. The first, *Funny Little Bunnies*, will have its release for the Easter trade. It is an altogether too short fantasy of the production and coloring of eggs, with the suggestion that the rabbits and the hens have learned a few tricks from General Motors.

The second picture, *The Grasshopper and the Ants*, really commands close attention. Gatti-Casazza might well study it, for in its ten or fifteen minutes it is a complete and tragic little opera, done with the background of Leigh Harline's music and an excerpt from *The Coronation March* of Meyerbeer.

The Grasshopper and the Ants is a better picture than *The Three Little Pigs*, though it may not attain as much popularity. When one reads the fable of Fontaine, the plight of that delightful minstrel, Monsieur Grasshopper, is apt to be just reading matter with a horrible middle-class moral which rather conflicts with what people happily call the New Leisure. But in the colors of the screen the true tragedy of the artist unrolls.

The Grasshopper of Disney is an all-too-human fellow. He fiddles and eats of the bounty of nature, for no government has, in his world, persuaded the trees and plants to plow their crops under. He sings, and rightly, *Oh, the World Owes Me a Living* while the industrious ants of Wall Street hoard foodstuffs against the inevitable Winter. The tale is an old one, and one may walk along Sixth Avenue in New York today and see a thousand grasshoppers in search of a handout from some thrifty ant.

He, too, is the victim of the blizzard. He turns a most painful blue in the bitter Disney cold, as he plods and plows and staggers and stumbles toward one sere leaf that hangs forlornly to a tree bending in a gale. As he reaches for this dole of nature, the blast tears the leaf from its stem, blowing it in a tumbling flight off into the far reaches of Disney's horizon.

When the ants haul the frozen body into their shelter and revive it with hot baths, when the queen relents from the stern remorselessness of the original fable and bids the grasshopper play, one feels that this ending could have been suggested by our own industrial experiences.

Camping Out is the Mickey Mouse picture, and tells of a gargantuan war between lovers of nature and the mosquito.

GAMBLING LADY, a Warner Brothers picture with Barbara Stanwyck, Pat O'Brien, C. Aubrey Smith and Joel McCrea. Directed by Archie Mayo and the writing credited to Ralph Bloch and Doris Malloy.

THIS is a thrice-told tale done with sufficient dexterity to hold attention. For some reason, possibly an instinct for knowing how to tell a story with directness, Warner Brothers seldom bore an audience. This story might have done just that, but at a moment when a less astute producer would hold off, "to add to the suspense," this film settles the point immediately and goes on to the next. The picture might have doubled its box-office value had the character portrayed by Pat O'Brien won the girl, but it seems too much to expect of film designers that they should occasionally throw over Cinderella in favor of Beauty and the Beast. Incidentally, O'Brien is one of our good actors, one of our very good actors, but—probably because his face doesn't tally with the standards set by the Greek gods—he is subordinated to such artists as Joel McCrea or Johnny Weissmuller.

IN the interests of helping our readers economize:

Good Dame, a B. P. Schulberg production with Sylvia Sidney and Fredric March, must have been an error on the part of the distributing organization. Instead of releasing the picture they have released an advertising trailer. Let's hope it isn't too late to rectify the error.

The Show Off, an M.G.M production, with Spencer Tracy and Madge Evans, is adapted from George Kelly's play allegedly by Herman J. Mankiewicz. This picture suffers from miscasting. Tracy, like Sylvia Sidney and Fredric March, is hardly a man for comedy, and the mark left by the late Louis John Bartels, who played the original role on the stage, is too high to reach with Hollywood artillery.

Monsieur Grasshopper is frozen in the blizzard, but the kindly ants revive him

NRA'S Battle of Theories

(One of Today's Lessons in Government)

By SCHUYLER C. WALLACE

Department of Public Law and Government, Columbia University

THE battle which has been waging behind the façade of the National Recovery Administration is not merely a conflict between the aspirations of divergent groups; it is a battle between economic and political philosophies as well.

A number of major engagements seem to be in progress at one and the same time. Not least in importance is the clash between those who subscribe to the under-consumption, or purchasing-power theory, upon which the National Industrial Recovery Act is in part predicated, and those who doubt its adequacy.

Briefly stated, the reasoning of the proponents of the purchasing-power theory is as follows: The wheels of industry can be kept turning only so long as there is a demand for industrial products. It is imperative, consequently, that a sufficient proportion of the national income go to the consuming classes to absorb the potential output of our productive machinery. In the event that such a policy is not followed, in the event that an undue proportion of the national income falls into the hands of the investing rather than the consuming class, this money finds its way sooner or later into the development of new mines and the construction of new factories. Although the immediate consequence of this may be the stimulation of employment in the heavy industries and in the building trades, the final outcome is catastrophic.

Once the new construction has been completed and the new factories put into operation, they merely add their output to an output already greater than the demand. Prices fall, profits fall, wages are cut, plants close, purchasing power is still further contracted and the downward spiral of a depression has started. In the normal course of events, business after business goes through bankruptcy, writing off capital costs and cutting prices until such time as an equilibrium between purchasing power and output has once again been established, that is, until the price level has so far fallen below the income level of the consuming classes that they can once again absorb the output of industry.

The problem in normal times is, therefore, to prevent such a maladjustment in the distribution of income between the consuming and investing classes from arising.

THE question inevitably arises as to who constitute these classes of society. Are we not all consumers? True. And it is exceedingly difficult to draw any exact line of demarcation. A distinction can nevertheless be made. That an adult factory hand endeavoring to support a wife and children on ten or twelve dollars a week can save little or nothing is fairly obvious. His entire income must of necessity be spent on consumption goods.

The problem of preventing recurring maladjustments between the income of the consuming and investing classes in a society in which the productive capacity is already greater than the demand is, then, the problem of directing just that proportion of the national income to the consuming and investing classes respectively as will reestablish and maintain a perfect equilibrium. More specifically this means at the moment (in the minds of the proponents of this theory) a divergence of a larger and larger share of the national income to the laboring and lower middle classes.

But what has this to do with the National Industrial Recovery Act or the National Recovery Administration? The answer seems obvious. If capital costs are not to be cut, if business after business is not to go through bankruptcy, purchasing power must be increased. And one of the ways of increasing purchasing power is for industry itself to divert a larger and larger proportion of its income into the hands of the working classes and less and less into the hands of the investors.

The underlying assumption is that a larger portion of the income of the laboring classes is spent for consumption goods than is spent for goods by upper middle and upper classes.

Whether industry can be persuaded to pursue such a policy remains to be seen. Whether, if industry does try to divert a larger proportion of its income to the working classes, the increase in purchasing power thus effected will suffice to restore the equilibrium between consumption and production, time alone can tell. If such a policy is not pursued and adequate supplementary measures are not taken, we shall be faced once again with a collapse. And business may yet be forced through bankruptcy.

THERE is, however, no unanimity of opinion among economists on its validity. Some of its critics insist that it tremendously oversimplifies the picture. The fabulous boom of 1928-29 of which the present depression is the unhappy aftermath, they assert, grew out of a maladjustment in our credit structure rather than a maladjustment between the consumer's and investor's incomes. In support of their contention, they point to the tremendous bank loans against security collateral and the stupendous investments by banks in industrial bonds. Thus they insist that the building boom of 1928-29 was financed not out of savings but out of credit. They conclude consequently that no matter how equally income might have been divided, the result would have been the same.

Nor do the critics of the purchasing-power theory stop here. Figures are marshalled to indicate that far from consuming less than usual in 1929, the American people were actually consuming more. In 1919 the sum total value of goods and services consumed is said to have been $60,900,000,000; in 1929, $85,300,000,000. In the light of these figures, the critics ask: How is it possible to lay the depression at the door of any theory of under-consumption?

Under this attack, the proponents of the under-consumption theory are for the most part inclined to retreat, to admit that purchasing power is but one aspect, albeit they insist the most important aspect, in the situation. They willingly concede that the attainment of just that equilibrium which is desirable between consumption and investment is much more complicated than the mere division of the nation's annual income, that the proper control of credit is imperative.

A second assault upon the purchasing-power theory comes from those who see in the Puritanical virtue of saving the desideratum of all economic good. Only through the accumulation of capital, they insist, is it possible to develop the potential resources of the country. The automobile, electricity, the radio, the airplane and all the other industrial achievements of the age were rendered possible through the existence of sufficient capital to develop and perfect them. To slow up the accumulation of capital, then, is to slow up the development of new industries and the perfection of old ones.

Two consequences will inevitably follow: First, many of those normally engaged in the heavy industries will, of necessity, find themselves permanently unemployed; second, the slowing up of technological improvement will inevitably retard the development of a richer economy which alone can serve as the base for a real prosperity.

The proponents of the purchasing-power theory meet both of these arguments head on. The capital resources of America are today, they assert, sufficient to give us a degree of prosperity never before known in the history of the world. The problem is not that of developing greater and still greater capital resources for future generations to enjoy, but to make effective use of the capital resources we have. The problem is to set the wheels of industry going now, not in the year 2034.

ALTHOUGH they concede that the slowing up of savings will lessen the sum of industrial construction and thus keep a number of people out of work who in the boom period have been employed, they nevertheless insist that for every one thus kept out of employment in the heavy industries, two, three, or four will be employed elsewhere. They insist that the national income is not a static thing, but something having two component parts, volume and velocity. Money spent by the consumer, they insist, moves with much greater velocity than that disbursed by the investor. A laborer's quarter spent for a can of tomatoes goes first to the retailer, then to the wholesaler, then to the manufacturer or canner, then to the farmer, then in part at least back to the retailer, and in part to the maker of farm machinery.

Still another line of attack upon the purchasing-power theory comes from those who insist that the raising of wages and shortening of hours is simply imposing additional costs upon American industry which make it more and more difficult for our industrialists to compete in international trade. We simply can not undersell Europe. Hence the present policy of increasing wages is simply preventing the return to employment of the thousands who have been in the past, and might well be in the future, supplying the needs of world trade.

And so the debate goes on.

American Federation of Labor members vote to delay calling on automobile industry strike. William Collins, left, takes the poll

Automobile manufacturers who conferred with the President on labor troubles are shown above as they left the White House

Detroit Comes of Age

Growing maturity puts labor on new basis with industry

PRESIDENTIAL intervention in the labor relations of Michigan's automobile industry follows the lines which other Presidents laid down in mediation of railroad and mine crises. Thus motors join the list of industries whose stoppages are too important for national governments to ignore.

In ordinary times, even a large-scale suspension of manufacturing industries has not drawn the attention of the Chief Executive, nor of any branch of the government save those to which conciliation is entrusted. But this time the automobile industry was carrying a large responsibility for national recovery. It was, in fact, the industry where old-fashioned individualism seemed most likely to achieve recovery unassisted. Other large industries, such as steel and railroads, have been receiving government loans, directly or indirectly.

As the threat of a suspension in several important plants in Detroit and Flint boiled up, observers were able to discern the effect of subtle but significant changes in the working population of those centers, changes which probably affect every large manufacturing center and many smaller manufacturing areas.

Detroit's growth has become a legend throughout the world. Her population grew as only those of Los Angeles and Miami grew in their respective boom years. But Detroit's growth was that of vigorous young men who were capable of working on the assembly lines in her motor shops. In twenty years the city expanded from 465,000 population to 1,568,000, but more important than the gross figures was the fact that this population had in it an abnormally large number of men and women in their twenties and thirties. Some of these people came from New York, Pennsylvania, West Virginia, Ohio and Indiana; thousands also from the South—to take up where foreign immigration left off in 1915.

This is what enabled Detroit to support its "open shop" policy, even in the building trades, when other cities were yielding to the closed shop. Unionized plants in the manufacturing industries, particularly in the huge automobile parts industry, were unknown in Detroit, as indeed they were virtually unknown in the metal shops throughout the Middle-West.

But Detroit has been growing older. Fifteen years have passed since the median year of the great migration. More than that, the depression actually reduced Detroit's population. Estimates of statisticians on the decline of Detroit's population run to 200,000 or more between 1930 and 1933. And who were the emigrants? Not the immigrants of twenty years ago, but those who went to Detroit in more recent years, in the 1920's, the young and unencumbered.

Family by family, they drove away in their light cars, returning to Defiance and Newcastle and Muncie and Fort Wayne and Parkersburg and Mobile. The population was reduced from 1,568,000 to somewhere around 1,400,000, but this does not tell the whole story. The city lost many thousands of the same kind of people who furnished the labor supply for the Ford, Dodge and General Motors plants in the years of their fastest growth, and the people who remained were older. The average age of the Detroit population rose even faster than the size of the population declined.

Thus we come to the labor revolt of 1934. "To enforce discipline," said William Collins, an organizer for the American Federation of Labor, "the companies introduced many forms of espionage, such as spies, blacklists and secret-service operators supplied through detective agencies, and a 'line' system of production, demanding gruelling toil.

"This is known as the open shop. After twenty years, there has come with it a reaction from the worker which is now finding an outlet. Thousands of workers are now accepting the opportunity that has come with the NIRA and given them the right to organize."

This plant discipline, according to Collins, required men to be in the prime of physical condition.

His description of methods used in the big Detroit shops differs little from the impression held by almost everybody who has been to Detroit in recent years. The progressive system of assembly always did require men to meet a standard of performance. The "line" moved at a rate with which only men of high average strength could keep up. Men of lower stamina, older and slower men, were employed at bench jobs, but even here, in most departments, there were elaborate speed incentives or standards of performance.

Recently the requirement pace has been stepped up, if anything. Automobile manufacturers were caught between rising steel prices and intense competition of their own industry; and, although they were able to raise their prices slightly, their hope of profit was in holding down the labor cost, either by volume of production or by faster operation.

Then, wages began to rise; or, rather, the competition for labor, through wages, began. Henry Ford raised wages last year and again this year, and announced that he was employing thousands of American Legion members.

But labor in Detroit is not what it was in 1914 nor in 1919, when the Legion members came back as youngsters from France. Labor in Detroit is much older, and the effect of maturity was heightened by youth's exodus.

Detroit has come of age. The same actuarial situation which had threatened to wreck many a pension plan in industry, before the depression stepped in and wrecked it first, now threatens to disturb labor relations, or at least to place them on a new basis.

WHAT is to be the effect upon industry? These production systems of the motor industry have become the pattern for many another, and even foreign countries have copied the ideas in a limited way. It seems certain that the average age of the American population is rising rapidly, and that the pace of industry will have to be geared to older workers.

If the working week is drastically reduced, more rapidly than machinery can be employed to make up the time, the population will need to accept a decline in the standard of living, as gracefully as possible. The prospect of a decline in the living standard is increasing as the durable goods industries remain inactive.

—F. R. L.

What's Going on Here?

(CONTINUED FROM PAGE 8)

we couldn't much blame them. It did seem like a lot of money."

"Well, if you didn't have a profit motive when you first thought of an airplane, you must have been spurred on by the profit motive at other times," I suggested. "You had a printing business and later a bicycle repair business and you must have been in it as a means of making a living."

Still showing quiet amusement, the inventor shook his head. "We got into the printing business, Will and I, when we were children," he said. "I had got interested in some woodcuts I saw in a magazine, and tried to make some tools for carving wood blocks. I made my first tool out of the spring of a pocket-knife and Will fashioned a wooden handle for it. Then we rigged up a crude press, mostly of wood. Finally we got a few fonts of brevier type. It was no fun having a press and type without printing something, and we began to get out a little neighborhood paper, as boys often do. That was the beginning of our printing business. Making it pay came as an after-thought."

"The same thing was true of your bicycle business?" I queried.

"Yes, our first interest in bicycles was racing. Then we took an agency and began to do repairing. I doubt if we ever would have been in the business except for our primary interest in bicycling as a sport."

Taking another tack, I remarked: "You and your brother are often mentioned as examples of the free working of rugged individualism—where two humble boys, with no money, no influence, and no special advantage, could start at the bottom and come up. Isn't that an argument for capitalism, *laissez faire*, and all that goes with it?"

"But it isn't true to say we had no special advantages. We did have unusual advantages in childhood, without which I doubt if we could have accomplished much."

"Those advantages weren't from wealth?"

"No, wealth might have been a disadvantage. The greatest thing in our favor was growing up in a family where there was always much encouragement to intellectual curiosity. If my father had not been the kind who encouraged his children to pursue intellectual interests without any thought of profit, our early curiosity about flying would have been nipped too early to bear fruit."

As I walked down the drive from the Wright home, I recalled that Alexander Graham Bell once told me he had no thought of profit when he invented the telephone. Maybe the profit motive in human affairs isn't so important after all.

AT Port Clinton, Ohio, is a manufacturing company famous for high-grade power boats, all pleasure crafts, and costing as high as $19,000 each. In a time of depression, such as the present, when nobody has much money, I reflected, such a company must have a distressing time. I dropped in at their offices intending to offer words of condolence and sympathy. But, to my astonishment, they reported excellent business. They have gone through the depression without laying off men, one of the managers told me, even though most of their employes are highly skilled and draw much better than average wages. A number of their more recent customers are people who, observing what was done to their own and friends' savings by bankers, determined to have a little fun with part of the money they were lucky enough to save. They bought pleasure boats which, at the peak of prosperity they would have considered a luxury beyond their means.

I discovered that more than ninety per cent of the stock of this boat company is owned by men who work either in the factory or office and are on the job there every day. During the boom the company was besieged by New York bankers to have a stock or bond issue, but they held aloof. Here, it occurred to me, is an example of American capitalism at its best; no notion of running the company as a financial racket, but just for the purpose of making a good product. They did not overbuild their plant, during boom times, to have an excuse to sell more stock or bonds. Maybe that is why they have continued in successful operation right through the years of depression.

I WONDER what would determine, if we should have more of a planned economy, just which small cities would be the seats of important industries. Who would have selected as part of a general plan, Medina, Ohio, a town of only about 3,000 population, as a center for building a great industry around bees? Years ago, A. I. Root, a farm boy, finding himself not rugged enough for regular farm work, became interested in bee culture and a far-reaching business, now world famous, is the result. Today this Medina company not only sells honey, but all manner of bee-keepers' equipment, publishes a magazine, and sells candles made of honeycomb, on a big scale. They found themselves with scraps of wood left over from making beehives and started a toy business. When the NRA codes were drawn, this company that started with a few bees was eligible to sign eleven different codes and did actually sign seven.

"We expect to make money this year, regardless of code requirements," the manager told me, "but since 1929 things have been a little tough in the honey business."

"What!" I exclaimed, "you mean to say the busy little bees have shirked on the job during the depression?"

It wasn't the bees' fault, I learned; the real trouble was not due to the depression but rather to the weather. Several years without enough rainfall happened to come with the depression. Bees care almost nothing about a financial situation, but not even the busiest of bees can entirely ignore dry weather, which leaves them without enough blossoms to work on.

I discover in various cities that wages are considered vastly more important by wage-earners than hours. If a man has his rate per hour raised by one of the codes, but works several hours less each week, with the result that his total earnings are less, he is greatly dissatisfied. Even if his total weekly earnings are within a few cents of what they were, his increased leisure doesn't appease him. He would rather work longer hours and have more money to satisfy family needs.

This relative unimportance of hours, as compared with earnings, is especially true among workers in small towns. One reason seems to be that they have less need for short hours than do workers in a large city where at least one hour is devoted to going back and forth between home and factory. But the most important reason for lack of interest in shorter hours, at expense of earnings, is because earnings are small at best. People are not going to become enthusiastic over the new leisure until they have more money.

At a gasoline station, a young man with a heavy sample case, waiting for a bus, asked me for a ride. He was district agent for a small, portable sewing-machine. The sewing-machine business is having a boom, he declared, because of the textile codes which have increased prices of women's clothing. Many a thrifty mamma who formerly bought her clothes ready-made is now making her own. Even families where the income is only $20 a week are buying sewing-machines, the young man told me.

I WAS curious to know whether college students are "radical" or "conservative." At Ohio State University, in Columbus, a member of the faculty directed my attention to young men students, one after another, with their overcoat collars turned neither up nor down, but only half way up.

"Somebody started that fashion," the professor said, "and so scores more do it. There's something sheep-like about college students. If two or three prominent students started wearing their garters outside their trousers, others would follow. But they are slower to follow anything you would call "radical" in economic or governmental lines, because they come from families that have been brought up to believe that whatever is, is sound."

Yet I found a number of senior students somewhat resentful over the situation they must face on graduation. About the only department of the university from which a high ratio of students may count on jobs after graduation seems to be the field of metallurgy. Many boys have been taking courses in commerce and business administration, in the belief that here is something "practical," closely allied with everyday affairs. Yet a distressingly small number in the senior class have jobs in sight. One boy who was graduated in February received an offer from a big corporation of $54 a month. It is a prosperous corporation, paying dividends.

"We are trying to meet the spirit of NRA," the employment agent for the company told the boy, "and $54 a month is the minimum we can pay under NRA."

"Not only are we in competition with capable high school graduates and other college graduates," one senior student told me, "but we must compete for jobs with college graduates who have had two or three years experience in business. One boy was about to take a job as advertising manager for a good-sized corporation, at $60 a month, but at the last minute he failed to get the place because the company had hired for $60 a month another college graduate, who already had spent two years in the advertising business."

About the most "radical" attitude I heard about on the university campus was reported by a former student who had taken a CWA job at manual labor on the public highway. Among his fellow workers were several colored men, so lacking in proper clothing that in place of shoes they had only old ragged overshoes on bare feet. One of these men picked up a newspaper during a noon hour and read, on the editorial page, a letter to the editor from a reader who made a somewhat bitter attack on the Roosevelt Administration. The negro laid down the paper in anger and declared himself ready to hunt up that letter writer and "beat him up." If he had started on such an errand, he could have had plenty of followers, the student reported. Poor as his job was, the negro was grateful for it.

An overwhelming majority in the university are in sympathy with the Roosevelt program, a student told me. Nothing seems radical if it is sponsored by Roosevelt. From a dozen conversations I got the impression that when the President advocates something most people would have thought too extreme, his sympathy with it immediately makes it respectable.

At Antioch College, I found students evidently much more mature in their thinking than those at the state university—doubtless because, under the Antioch plan, students go out and work during alternate ten-week periods and are more in touch with what is going on in the republic, more awakened to realities.

Here I discovered considerable tendency to deplore or resent modern business practices, not because of low wages offered to graduates but because of what students declare are the appallingly low ethical standards they see in business. One case is typical of a great variety I heard about from students.

A senior lad was employed in an Eastern state during his ten-week working period, at a gas station operated by one of the leading oil companies. "We had three prices for gas," he reported, "and yet I happened to know—in fact, I took pains to find out—that the three supposedly different grades or qualities of gas *all* come out of the same tank. Business is all right, if you have the stomach for it," he added. He was planning to go into government service.

The Dough Doctor

(CONTINUED FROM PAGE 9)

handled by anyone else. He deals with business men and bankers.

No radical would choose a pinochle player to sit in with a crowd of bridge sharks. Nor a pharmacist to run a clinic.

DOCTOR JONES needs no introduction to experts in his line. From his original operations with the pig, he has out-traded and out-smarted the traders and smart boys so often it has become a habit.

To prove it he can show you a fortune and a more than modest business empire which stretches from Texas to New York and back again.

He has the cold eye of a banker, but the enthusiasm of a promoter. He promoted himself successively from farm boy to lumber yard worker, manager of the lumber yard, operator in lumber yards.

He also has been interested in the real estate business, building, banking, railroading, and even newspapering.

From the start he did not stop to work himself up in any one firm. He always organized his own firm so he would be sure of being president right away. His biography in *Who's Who* is one "President and Director of ——" after another. He promoted the marshes at Houston, Texas into a skyscraper city. He promoted the Gulf of Mexico so it would run twenty miles inland to his city, and then when there was little left to promote in Texas, he went to New York and found some things overlooked by those who had been the nation's best promoters until he arrived.

But he never allows himself to forget his banker caution.

An incident which illustrates this caution occurred in his earlier years, and will serve to illustrate the carefulness which the man has kept with him down to the present.

When he first left home he sewed a $10 bill in his clothing so he would have something for emergencies if his money ran out. He has always kept the equivalent of that $10 bill sewed somewhere.

HE started in early to be a driving force. He tried it first on a mule. His father told him to go out into the field with the mule to plow. At noon the father came around to survey the work.

He found that four days of ordinary plowing had been done, and he felt so sorry for the mule that he set his son to doing something else and let the mule get a rest.

Slightly exaggerated is the oft-told yarn about Jones waiting for King George at Buckingham Palace. His feet were tired. He removed his shoes. Suddenly the King came in. With an utter absence of self-consciousness, Jones arose and received the King in his stocking feet.

In his latest job he keeps his shoes on. He also keeps them on the ground. But the stocking story could have occurred just that way, because the man has self-control so unusual that it has been said of him as of former President Coolidge that ice water runs in his veins.

Jesse Jones, who knows about oil kinds of business, tells a Congressional committee what he thinks it should do about lending funds of the RFC to needy municipalities

ONE reason for that belief is probably the fact that he lives to himself. He plays bridge only as a social requirement, and golf, not at all.

For good thrilling fun and real enjoyment, let him munch on a sack of popcorn as he holds three conference meetings in three adjoining rooms, moving from one to another, carrying the precious sack along. Or, as he did down in Texas, when he decided to build an office building. He called in the architects and told them he wanted a small detachable model built. He wanted to play with it, fitting wings and sections this way and that so every possible foot of space would produce revenue. He played with it for three weeks and then he devised a building which completely confounded the architects.

He knows about all kinds of business. It is this vast experience which enables him to find out with two or three pointed questions what shape a business is in. Likewise he has long dealt with good and bad business men and it does not take him long to decide whether he will trust you or not.

No ordinary banker or business man could be what he is to his patients.

WHEN Jesse Jones tells a New York cotton buyer or an Illinois merchant or a Northwestern rancher what is wrong with their business, they know they are getting priceless advice from an outstanding authority in their own line.

He does not merely turn down the loans he cannot make.

He helps these people to help themselves.

The sum total of that effort is considerable when it goes on for months and years. It is something new in government service. If operated privately for profit, it would soon enable Jones to extend his empire to Boston and possibly to Halifax.

It was one of his friends who said at lunch the other day:

"Some men grow with power and wealth; some men swell."

Jones has grown big.

HITLERISM INVADES AMERICA

(CONTINUED FROM PAGE 7)

Hans Weidemann (above), officially Germany's representative at the Chicago World's Fair, arrived in the United States shortly after Ludecke —publisher of the "American Guard"—returned to Germany. Weidemann conferred with Nazi leaders in New York and Chicago

its diplomatic or consular service, and that he had failed to notify the Department of State of his activities.

Since midsummer Spanknoebel had been actively, and even openly, at work in New York. Under the zeal that he had inspired in the New York Nazi locals they had come to the verge of the official acclaim of Mayor O'Brien, and only the sudden and vehement protests of friends of the old, not the new, Germany wrecked the plan. While deputy marshals searched for him, Spanknoebel slipped away, and an indictment took the place of the warrant against him.

One other entry against a Nazi agent appears upon the records of the United States Courts in New York. From Spanknoebel the Grand Jury turned to the affairs of Friends of the New Germany. It summoned Engelbert Roell, treasurer of the New York Local, before it and called for the roll of its members. His obedience was not complete, and it was not until Judge Harry B. Anderson had committed him to the House of Detention that Roell complied.

This scrutiny of the Nazis was the last official action until this month, when the House Immigration Committee was voted authority to investigate propaganda activities.

PROFESSED Nazi Party representatives have been coming from Germany into the United States since 1926, to establish "cells" in cities throughout this country. There also were German military officers, delegated by Nazi leaders here to impart training to military groups pledged to allegiance to Germany.

As the second step in their organization, the country has been divided into three main geographic (and military) areas—the Division of the East, the Division of the West, and the Middle Division.

At this time Nazi locals are in active existence in these communities:

In the Eastern Division: Manhattan, Brooklyn, Long Island and White Plains; Hudson County, Clifton, and Newark, New Jersey; Rochester, Buffalo, and Philadelphia. "Cells" in Baltimore and in New Rochelle are in process of formation.

In the Middle, or Central, Division: Chicago; Detroit; Milwaukee; St. Louis; and Cincinnati. "Cells" at Hammond, Seymour, and Gary, Indiana, are in process of formation.

In the Western, or Pacific Coast, Division: San Francisco; Oakland; Los Angeles; and Portland, Oregon.

As was to have been expected, disclaimers of responsibility for the actions of Nazi propagandists have been issued from time to time.

Thus, on March 12, 1934, the Ministry of Propaganda at Berlin—the official government authority—in reply to the inquiry of a correspondent of the New York *Times*, asserted "complete indifference" as to two German-American publications—the *Deutsche Zeitung* and the *Deutsche Rundschau*, or *German Outlook*, its supplement in English, published in New York. "Assurance was given today," the *Times* dispatch said, "that no maintenance for them would be forthcoming from here, and all association with their future was disavowed."

PROPAGANDA activities of the Nazis throughout the United States are going on at maximum intensity right now.

Weekly propaganda meetings are held in New York City, and in the course of the last two months successively three halls in Manhattan have grown too small to hold the crowds. From Kreutzer Halle, at 228 East 86th Street, holding 1,000 people, they were moved to the Turn Halle, at 85th Street and Lexington Avenue, holding 1,800; next to the Yorkville Casino, 210 East 86th Street, holding 2,500, and finally to the Central Opera House, with a capacity of 3,000. At the first two weekly meetings in March, hundreds of people were turned away by the uniformed Nazi guards, because not even standing room was left.

These meetings were publicly advertised as "propaganda meetings."

Membership in the Manhattan Local is growing at the rate of 400 a week. On March 14 Walter Kappe, formerly head of the Cincinnati Local, later on propaganda chief for the United States and at present managing editor of the Deutsche Zeitung, put it at 3,000.

These activities are directed by Reinhold Walter, who took over leadership of the Manhattan Local early in December, 1933, after Heinz Spanknoebel, the first national leader, had fled to Germany and Dr. Ignatz T. Griebl, the first national president, had gone into hiding.

Storm Troopers in uniforms guard these meetings, using the tactics customary at Nazi meetings in Germany. Walter makes his office in a New York apartment, guarded by Storm Troopers, who refuse admittance to the apartment to any one not properly accredited.

[Storm Troops, taking their names from the shoek troops of the World War, have been in existence in Germany since the days of the First Republic. Under the Nazi regime, they are uniformed, strictly organized and disciplined and fulfill a vital function in enforcing Party decrees. Their counterpart, in uniform and organization, if not in complete function, appeared early in the propaganda campaign in the United States.]

There is also a financial side of the propaganda activities: $1 a month is collected from each member; 25 cents admission is charged at the propaganda meetings. Each member makes a "special contribution to the propaganda fund" of not less than 50 cents, in addition to an initiation fee of $1. Throughout the meetings uniformed Storm Troopers with collection boxes comb the audience for contributions to the "fighting fund." No speaker leaves the platform without earnestly soliciting funds for the movement. Receipts of the Manhattan Local in one week in February, last, from these sources were over $1,900.

The treasurer is Engelbert Roell, formerly living at 152 East 83rd Street, but lately secluding himself.

Propaganda activities are equally intensive in Brooklyn, Long Island, Newark, Union City, Clifton, Passaic, White Plains—all in the New York Metropolitan area. Local propaganda speakers are supplemented by "big names" from Chicago and other cities, and Nazi motion pictures are shown. Storm Troopers from the Manhattan Local are sent to these suburban locals to guard these meetings.

Storm Troopers of the future are being trained in the New York organization, as well as in the other cities mentioned, in the so-called Hitler Youth Group. In reports of the leader of this Youth Division—Hugo Haas, 912 Palmetto Street, Brooklyn, New York—published in *Deutsche Zeitung*, he boasts that these youngsters, aged between nine and fourteen years, marched throughout a bitter winter night, passing singly through a cemetery in Westchester County at two oclock in the morning, to test their courage. Haas' heart "leaped with joy" as the boys engaged in "military battle," some of them with blood streaming from their faces and heavy bruises on their arms and legs; and as they sang the "Horst Wessel Song" (the official anthem of the Nazis) in the forests of Bear Mountain.

Walter Kappe, managing editor of the "Deutsche Zeitung," former propoganda chief for the United States and an early leader in Chicago

Next to New York, Chicago is the most important, as it is the oldest, American Nazi center. A corps of German-trained organizers and propagandists devotes full time to the building up of the machine there. The Chicago Local not only has Storm Troops but also a unit of the Schutz Staffel, the Hitler special guard. The Storm Troops train each Thursday night from 8:30 to 11:30 oclock at the Reichshalle on North Ashland Avenue. Meetings are held at frequent intervals. At one of them, March 8, Consul General Wilhelm Tannenberg was the chief speaker.

In Milwaukee, where the "cell" is headed by George Froboese, during recent weeks the average attendance at propaganda meetings has been over 1,000. Nazi agents in that city have taken over the German Steel Helmets, the German Legion of Honor and the Order of German World War Veterans in extending their campaign. Heinz von Nobel, an ex-German army officer, has recently assumed the direction of these activities. Membership in the Milwaukee Local, barely half a dozen last summer, is over 700 at present.

The Buffalo Local, established in December, 1933, has grown to 300 members. The Nazis have taken over a Buffalo German-language paper, *Volksfreund*. The Rochester Local, headed by Storm Trooper Mank, is a recent addition.

The St. Louis Local was established on October 8, last, with Dr. Doellefeld as leader and Hans Vorhey as chief of propaganda. Prince Louis Ferdinand, of Prussia, grandson of the former Kaiser, not only attended its first meeting as guest of honor, but made a speech officially dedicating the new Local.

Within a short time after the St. Louis Local had been established, the North American Veterans League, an organization of German veterans in the Middle-West, was brought into the fold, as was the German Service Association of St. Louis.

In Oakland, California, the local was established on October 13 last, hy the commander of the San Francisco unit, H. P. Lohmann, who had in September, 1933, succeeded Franz Kederst, the original appointee. This local immediately began to send propaganda speakers to address American societies, lodges, and clubs. Meetings are held each Wednesday at the Knights of Pythias Castle, and by March 1 the local numbered over 100 members.

The San Francisco Local, under the leadership of Lohmann, has as its chief of propaganda Baron von Rechenberg, who has been traveling up and down the Pacific Coast addressing two and three meetings a week. San Francisco, too, has Storm Troops and an elite unit of forty men belonging to the black-uniformed Hitler special guards. They drill at the Mission Turnhalle, 3541 18th Street, San Francisco, each Monday.

In Los Angeles the leader is Robert Frederick Pape, who held the rank of Captain in the German Army, is a veteran of the World War, and has received his pension from the German Government throughout his three-year stay in America. A company of Storm Troops, first organized last September, has been drilling regularly. Masses of propagandistic literature have been brought in, for months past, from German vessels arriving in the harbor at San Pedro. Captain Pape makes his headquarters at the Alt Heidelberg Restaurant building, 902 South Alvarado Street, and at the offices of the "Friends of the New Germany," at 1004 West Washington Boulevard, which is also the address of the Aryan Book Shop, conducted by two of the organizers of the society. In January the society claimed a membership of more

(CONTINUED ON PAGE 26)

Bund „Freunde des Neuen Deutschland"

Bundesleitung - Anschrift:
308 East 86. Str., Box 115 - N. Y. C

Tel. BUtterfield 8-9238
Telegr. Adr.: „Eldende"

Aufnahme - Erklärung

Gau: .....
Ortsgruppe: .....
Stützpunkt: .....

Dieses Raum nicht beschreiben.
Nr. .....

*Bei Aufnahme zu bezahlen:
Aufnahmegebühr $1.00
Monatlicher Mitglieds-Beitrag $0.75
Einmaliger Werbebeitrag freiwillig 50c aufw.

Ich erkläre hiermit meinen Eintritt in den Bund "Freunde des Neuen Deutschland". Zweck und Ziele des Bundes sind mir bekannt und ich verpflichte mich dieselben rückhaltlos zu unterstützen. Ich erkenne das Führerprinzip an, nach welchem der Bund geleitet wird. Ich gehöre keiner Geheimorganisation irgendwelcher Art an (Freimaurer etc.), bin arischer Abstammung, frei von jüdischem oder farbigem Rasseneinschlag.

Deutlich schreiben!

Vor- und Zuname: ..... Beruf: .....
Genaue Adresse: .....
Geburtsdatum: ..... Geburtsort: ..... kd.-verh.-verw.
Staatsangehörigkeit: ..... Tel. Nr. .....
In Deutschland wohnh. Bürge: .....
In Amerika wohnh. Bürge: .....
Bemerkung: .....

Vollständig und genau ausfüllen!

Bezahlte Beträge		
Aufnahme Gebühr	$	-
Mitgl. Beitrag f. M.	$	-
Werbe Beitrag	$	-

Datum: .....

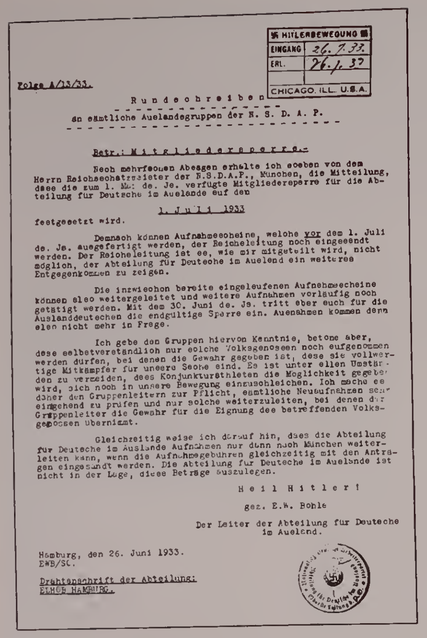
Eigenhändige Unterschrift

*Der 1. Mitglieds Beitrag gilt für den Monat der Aufnahme.
Form. 1

Above, the form an applicant must sign to join "Friends of the New Germany" reads in part: "I herewith declare my entry into the League, 'Friends of the New Germany.' The purpose and aim of the League are known to me and I obligate myself to support them without any reservation. I acknowledge the leadership principle according to which the League is being directed. I do not belong to any secret organization of any kind (Freemasons, etc.). I am of Aryan descent, free of Jewish or colored racial traces." [The application blank is reproduced from a photograph of a form]

Acme

Adolf Hitler, photographed as he presided over a meeting in Berlin of Nazi members. With him are (left to right): Captain Goering, Dr. Frick, Gregor Strasser and Stoehr, leaders in the movement. In the background is Dr. Goebbels, Minister of Propaganda



Folge A/33/33.

NSDAP HITLERBEWEGUNG	
EINGANG	26.6.33
ERL.	24.6.33
	CHICAGO, ILL. U.S.A.

Rundschreiben

an sämtliche Auslandsgruppen der N. S. D. A. P.

Betr.: Mitgliedersperre.

Nach mehrfachen Absagen erhalte ich soeben von dem Herrn Reichsschatzmeister der N.S.D.A.P., München, die Mitteilung, dass die zum 1. Mai ds. Js. verfügte Mitgliedersperre für die Abteilung für Deutsche im Auslande auf den

1. Juli 1933

festgesetzt wird.

Demnach können Aufnahmescheine, welche vor den 1. Juli ds. Js. ausgefertigt werden, der Reichsleitung noch eingesandt werden. Der Reichsleitung ist es, wie mir mitgeteilt wird, nicht möglich, der Abteilung für Deutsche im Ausland ein weiteres Entgegenkommen zu zeigen.

Die inzwischen bereits eingeleiteten Aufnahmescheine können also weitergeleitet und weitere Aufnahmen vorläufig noch getätigt werden. Mit dem 30. Juni ds. Js. tritt aber auch für die Auslandsdeutschen die endgültige Sperre ein. Ausnahmen können dann also nicht mehr in Frage.

Ich gebe den Gruppen hiervon Kenntnis, betone aber, dass selbstverständlich nur solche Volksgenossen noch aufgenommen werden dürfen, bei denen die Gewähr gegeben ist, dass sie vollwertige Mitkämpfer für unsere Sache sind. Es ist unter allen Umständen zu vermeiden, dass Konjunkturritter die Möglichkeit gegeben wird, sich noch in unsere Bewegung einzuschleichen. Ich mache es daher den Gruppenleitern zur Pflicht, sämtliche Neuaufnahmen sorgfältig einzehend zu prüfen und nur solche weiterzuleiten, bei denen der Gruppenleiter die Gewähr für die Eignung des betreffenden Volksgenossen übernimmt.

Gleichzeitig weise ich darauf hin, dass die Abteilung für Deutsche im Auslande Aufnahmen nur dann noch München weiterleiten kann, wenn die Aufnahmegebühren gleichzeitig mit den Anträgen eingesandt werden. Die Abteilung für Deutsche im Auslande ist nicht in der Lage, diese Beträge auszulegen.

Heil Hitler!

gez. E.W. Bohle

Der Leiter der Abteilung für Deutsche im Ausland.

Hamburg, den 26. Juni 1933.
EWB/SC.

Ergebenschrift der Abteilung:
ERNST HAMBURG.

(Continued from page 25)

than 300. It maintains a close link with the group known as the Silver Rangers, which claims a membership of 5,000 in Southern California.

In Cincinnati, the membership of the local is placed at 150 by outside authorities. Propagandistic meetings, now continuing, attract attendances of many times this number. The group is headed by A. Knoedler, of 228 West MacMillan Street, who carries on the work begun by Kappe in that city four years ago.

The leader in direct charge of the Newark Local is Oscar Schilling, of 71 Tiffany Boulevard. With his brother, Frank, he came to America five years ago. Last December their flat at 34-36 Gillette Place, Newark, was found to be a storage place for stacks of leaflets, booklets and newspapers brought in from Germany. Driven to find a new residence, their work in the Newark area goes on today unabated.

In Philadelphia, with a large German-American population, a seaport at which vessels arrive regularly from Germany, the Philadelphia Local, headed by W. Aldinger, with headquarters at 5421 Spring Garden Street, claims a membership of 5,000, although outside estimates place it as far below that figure as 500. The attendance at the weekly meetings is large.

IT is impossible to understand the growth of the Nazi organizations in the United States without first glancing briefly at its early stages.

Many Americans will recall Dr. Ernest E. F. Hanfstaengl. His mother was an American; his father a member of a wealthy and notable German family of art dealers and publishers. He was brought up in America, and was graduated from Harvard, where his nickname was "Putzi." Shortly before the World War he opened a well-remembered art store in Fifth Avenue, New York. After the war he returned to Germany, met Hitler, became interested in Hitler's new political party, gave money to the cause.

When Hitler's attempt to seize power in 1923 failed, and the police were seeking him, Hanfstaengl hid Hitler in his villa till the storm blew over. It was largely Hanfstaengl's advice that determined the program that has been followed in the United States, it has been said repeatedly.

Individual pioneer scouts began coming to the United States as early as 1926 and pursued their solitary wanderings over the continent. Their numbers were increased substantially in 1930 and 1931, but each remained an individual missionary, for a national center of control had not been established. They entered the country, often, upon immigration visas; but, although they sometimes went through the formality of applying for their first papers, they did not always complete the formality, even though they remained for five years or longer.

They had the assurance, from the principles of the Law of 1913, before leaving Germany, that their German citizenship would not be impaired by their acquiescence in the American "formality" and they remained, while here, in full membership in the Nationalist-Socialist Party.

These missionaries were, in the main, young men who had seen service in the World War, even though boys, and who had since become familiar with the specialized military training provided by Hitler drillmasters.

From time to time they returned to Germany, as unobtrusively as they had arrived here. They often were without visible means of support, but transportation expense seemed never to be a problem, and, after they had reported to their proper authority, they would come again to the United States.

Thus, for example, Hans Winterhalder, a veteran of the World War (although he was still in his 'teens when the war ended), arrived in this country, to begin his work for Hitler, in 1925, when he was twenty-one. Between 1925 and 1929, he crossed the Atlantic four times. Hermann Schwinn, of the same age as Winterhalder and also a soldier, arrived in 1925.

Karl Specht, as well as another named Paul Themlitz, arrived in 1926. Specht remained six years, paid a flying visit to Germany, and returned at once, equipped with the drill-book of the Storm Troops. But it was not at that time the business of these early "land-viewers" of the Hitler "Foreign Legion" to train troops; their business was to report on the state of America. They wandered from coast to coast, from Canada to New Orleans.

"I traveled everywhere, as a bum," one of them asserted.

They visited the East, the Central West, Minnesota, the Dakotas, Idaho and Oregon; they traversed Texas and the Southwest. From every state they sent back reports on men and conditions as they saw them.

Before the Nazi regime came into power, it is to be remembered, Germany had worked out an elaborate system of propaganda in the United States to combat the Versailles Treaty and the burdens of reparations. From 1924 on, young graduates of German universities and young Germans of high social standing carried on this work. They were directed in New York, first by Consul-General Lang, later by his successor, von Lewinski, and still later, during the last two years, by Consul-General Otto C. Kiep. Whether employed in business houses or merely as visitors, they reported regularly to the Consulate. By 1927, the Consulate was receiving a dozen weekly reports from these men.

In June, 1933, this elaborate system was taken over in its entirety by the Hitler government. Had it not already been functioning, organization of propaganda by the Nazis would have been more difficult.

IN December, 1926, Ulrich Staack, twenty-four years old, arrived from Germany, bringing with him a first-hand knowledge of the Hitler movement. He went immediately to Chicago. In April, 1927, he applied for citizenship papers. He might legally have applied for final papers in April, 1932, but at the close of 1933 he still had not done so. He met in 1928 in Chicago an older German, Arthur Doering, and married one of his daughters.

In 1929 Staack first attended a meeting of the Teutonia Club, whose president, Herbert Schmuch, a German university exchange student, pursuing graduate work in American universities, had been succeeded by Walter Kappe, a pressman working for various Chicago newspapers, including the *Herald-Examiner* and the *Daily News*, and Kappe in turn had been succeeded by Fritz Gissibl, the original leader of the society. Staack became secretary of the club, whose range of membership is indicated by the contrasting character of its officers.

Confidence was running high in 1929 that the supreme authority in Germany soon would create a national leader for America, with command over all activities here. There was no question about the purpose of the German chiefs to extend their operations to America—

"Band Wagon Jumpers"

This letter, doted at Homburg, June 26, 1933, by Ernst Wilhelm Bohle, leader of the Division for Germans in Foreign Countries, commands Nazi groups in the United States to cease admitting new members after July 1, 1933, excepting only "highly valued cofighters for our Cause." The letter adds: "Under all circumstances, it is to be avoided that 'Konjunkturotrhleten' (bond wagon jumpers) make their way into our movement. I make it the duty of all subleaders to check all new applications thoroughly and to forword only those for which the group leader takes personal responsibility as to the fitness of the fellow-countrymen"

the only question before the ambitious and the hungry was: "Who is to be the lucky man?"

In Chicago, Gissibl and Kappe were vying for the honor—and its expected emoluments.

In Detroit, a young German photo-engraver, Heinz Spanknoebel, was nursing the same hope. Spanknoebel, who had been in America for nearly ten years, was employed by his brother, Kurt, and was the leader of a group of perhaps a dozen Hitler adherents who held their meetings in a house (said to have been at 757 Chelsea Avenue) which they called "Hitlerheim."

By 1930, the Teutonia Club decided that the time had come when they might extend their work to other cities. Gissibl, Doering and Staack thereupon made a trip to Detroit for the purpose. There they met Walter Hentschel who was to become the right hand man of Spanknoebel. Hentschel was an "exchange student."

[Among the various admirable American agencies for promoting higher education is the Institute of International Education, founded fifteen years ago. The Institute offers scholarships and fellowships which enable Americans to pursue their studies in foreign institutions, and students from almost every foreign nation to come to the United States. The Institute's appointments of such "exchange students" from Germany between 1928 and 1933, numbered 337. Hentschel was an Institute student. It is scarcely necessary to say that the Institute cannot possibly keep watch upon extra-curricular activities.]

The story of Hentschel throws a light both interesting and significant on Nazi methods. Hentschel had arrived in America on September 26, 1929. After presenting himself at the Institute offices in New York, he registered as a student in the Yale Divinity School, declaring as he did so that he had an interest in journalism as great as in theology.

At the end of the collegiate year no word came to the Institute as to his plans for the summer, though he knew the information was needed for the Immigration Bureau. A letter addressed to him at Yale came back, undelivered.

A few days later Hentschel wrote from Detroit to say that as he did not have enough money to return to Germany, he expected to remain in Detroit until September, when he would either enter the Dearborn Institute of Technology or return to New York.

He did neither, but on November 13, 1931, a year later, he forwarded a certificate of his registration as a student in the Graduate School of the University of Michigan. Two days later, the Graduate School wrote the Institute that Hentschel had left for New York to make plans for returning to Germany.

He never called at the Institute offices. Indirectly, it received word that Hentschel had reached Halle, South Germany, by December 9. Apparently his work in the United States had been completed.

GISSIBL, on his arrival in Detroit from Chicago that summer of 1930, summoned a meeting in the Deutsche Haus. The hall was well filled with German-Americans. The meeting also attracted the attention of forty or fifty of the unconverted. Gissibl, attempting to speak, was interrupted by these hecklers, and was in danger of losing the whole situation. Spanknoebel leaped at the opportunity. By the time he and his little body of hard-fisted young men had finished, the hall was cleared of opposition.

Gissibl and his aides returned to Chicago, leaving Spanknoebel convinced that they intended to make themselves the leaders of the movement in America. Spanknoebel saw that he must act at once if he were to better his own position. Quickly, he was on his way to Germany, and there plunged into Hitler's own battle. He said later that he spoke in Hitler's behalf at no fewer than sixty campaign meetings. When the election was over, he returned to the United States, ready to establish his claim to leadership.

During Spanknoebel's absence, Gissibl and Kappe worked assiduously, and in January, 1932, changed the make-up of the Teutonia Club to strengthen a direct connection with Hitler's own party in Germany.

SINCE membership in the Hitler party is ostensibly limited to German citizens, those members of Teutonia who had become American citizens were given a new organization, "Friends of the Hitler Movement." Doering was made its president. Those who were actual German citizens were admitted to membership in the Party itself, and to their organization was given the official name of the Hitler party—"National-Socialistische Deutsche Arbeiter Partei," with the internal designation, "Landesgruppe U. S. A." (National Group U. S. A.). Still later the "Friends of the Hitler Movement" became the "Deutscher Volksbund" and then in July, 1933, present "Friends of the New Germany."

By this action the American Division of the Nazi Party was definitely put on an equal footing with the geographic divisions of the NSDAP in Germany. By September of the same year, Dr. H. Nieland had become the first divisional commander within the Nazi Party. Landesgruppe U. S. A. duly reported to him, and official organization relations between the United States and Germany were established.

Wide World

Dr. Hans Luther, German Ambassador to the United States, appointed to that post by Chancellor Hitler in 1933

The German Embassy on Massachusetts Avenue in Washington

Chronologically this development synchronized with the appearance in June, 1932, of the *American Guard* and its proclamation of the principles of the Nazi Party.

K. G. W. Ludecke, the editor of the magazine, was known also as Ernst Ludecke, who, as the American correspondent of the official Nazi organ in Germany, the *Voelkische Beobachter*, was accepted as Hitler's direct representative in the United States. He had gone directly to Washington on his arrival and there exhibited credentials which seemed, at least, to give him authority not possessed by the German Ambassador himself.

The economic crisis had reached its depths. Needy veterans of the World War were showing their discontent in the march of the "Bonus Army" upon Washington, and in the disorders which attended its entrance into the city. The hour had come, Ludecke was convinced, to appeal openly to all discontented elements in the United States.

To publish this appeal, Ludecke went to Boston. A postoffice box in Brookline, a suburb of Boston, was chosen for the address of the publication, and the *American Guard* duly made its appearance.

A RESULT of this manifesto and of Ludecke's activities in the United States was the inception of various secret organizations—curiously akin to the Ku Klux Klan—whose membership was recruited among American citizens, whose activities have been aided and supported by men and women of wealth and influence, and which have been guided and coordinated in their activities by the directing hand of Nazi leaders. These organizations will be discussed in detail in a later article.

Having performed his function here, Ludecke returned to Germany, sailing from New York on May 3, 1933.

A new emissary immediately came, however, to the United States. This was Hans Weidemann, who, with his friend, Gotthold Schneider,

(Continued on page 28)

Wide World

Dr. Wilhelm Tannenberg is German Consul in Chicago

International

Dr. Alfred Rosenberg, "high priest of the Nazi philosophy," and director of the Porty's Foreign Political Bureau

International

Gregor Strosser, former director of organization for the Nazi Party in Germany

(CONTINUED FROM PAGE 27)

disembarked on May 26, 1933, from the steamship *Columbus*, in New York.

Proceeding at once to Chicago, officially as his country's representative at the World's Fair, Weidemann conferred with Gissibl, Kappe and Staack at the Reichshalle on Ashland Avenue. Returning to New York, he conferred with Nazi leaders there.

Chicago headquarters men were spurred into fervent activity last June, particularly since Spanknoebel was on his way back from Germany. They decided on the division of the continent into three areas, Eastern, Central and Western. With maps spread out upon the table, they pored over them like military commanders planning the conquest of a continent.

Having fixed the boundaries and decided upon the men to be placed in command of each, they called in Hans Strauss, the secretary at Detroit, and agreed upon the letters notifying the three divisional commanders of their appointments. They had no printed letterheads at the moment. At his typewriter, Strauss headed the letters and arranged their contents in true military form, signing his name as "National Leader."

Gissibl was named as commander of the Central Area, Franz Kederst of the West and Oscar Schilling, of Newark, of the Eastern Division.

The new name of the organization was to be the *Deutscher Volksbund*.

"The leadership principle applies as formerly," wrote Strauss.

Everyone knew what was meant—responsibility was to run direct to *Der Fuehrer*.

June was gone before they realized it. July appeared, and with it Spanknoebel. Instead of proceeding at once to Detroit or Chicago, he tarried to confer with the leaders in New York. He learned of what already had been inaugurated in Chicago and Detroit, by Gissibl and Strauss. He had upon his hands, he perceived, real rivalry.

Spanknoebel moved fast. He called a national convention at Chicago for July 28, and fretted while conferences still held him in New York. At last he tore himself away, and on July 27, reached Chicago, registering at the Bismarck Hotel and remaining until July 31.

He called Gissibl on the telephone.

"I want you and Strauss to come here to my room and settle this business before I see the rest of the delegates," he said.

They refused; Spanknoebel would have to see everyone at the same time, at their Reichshalle, the new hall which some were still calling by its old name of Teutonia.

Spanknoebel went there.

Within three days he had issued to the men assembled there, from various cities, the orders which he professed to have brought from Germany and had sent them back to their cities to put his orders into effect. These orders were:

To give the budding *Deutscher Volksbund* groups in these cities a new name—the *Bund des Freunde des Neuen Deutschlands*, the "League of the Friends of the New Germany;"

To organize this work, secretly, in three geographical zones, East, West and Central;

To form and drill units of the *Sturm Abteilung*, or Storm Troops, in each city, but to call these *Sport Abteilung*, to hide their real nature;

To gain control of all German-American societies in order to utilize their strength for Nazi activities in America.

This done, and having appointed his sectional officers, he returned to New York, where he took personal charge of the Nazi activities.

Three months later, at the end of October, his tactics had aroused such resentment in German-Americans loyal to America that he was publicly denounced by them.

Victor Ridder, publisher of the New York *Staats Zeitung*, at a public hearing before Mayor O'Brien, October 23, 1933, declared:

"Spanknoebel is not a propagandist sent over here to carry on peaceful activities in favor of the new German Government. He came over here as a representative of a foreign government for a purpose of censoring and controlling the press of the nation that are published in the German language.

". . . When Mr. Spanknoebel led his Storm Troops into the peaceful meetings of the organizations of which they were no part, and in which they had no rights, then he became not a propagandist but a gangster.

". . . When he sends instructions to veterans' organizations that the Jewish members are to be dropped, when he calls himself a member of the *Stahlhelm*, then he is hiding his disgraceful acts under the cover of the cheapest kind of known terrorist, which we in this country call gangsterism."

When, in November, a Federal warrant was issued for Spanknoebel's arrest, he fled—leaving Gissibl to become national leader.

(TO BE CONTINUED APRIL 7)

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AMERICAN CITIZENS AID THE NAZIS

There are citizens of this nation who are helping the Nazis in America perfect their organization.

Their organizations will be described in the second installment of "Hitlerism Invades America." The detailed account of the growth of the Nazi Party in this country, begun in this issue, will be continued, with documents and photographs revealing its hitherto secret activities

In the issue of
TODAY for April 7

• • •

Who's Who in the Nazi Party

By MONITOR

Acme

A Chicago Storm Trooper (left) and (right) o group of German Storm Troopers being reviewed by Choncellor Hitler

AN immigrant who but four years ago was a man without a country is now regarded as the Caesar and the Messiah of the land which he adopted. He is the omnipotent and adored hero of a defiant nation. A man who began his career in life as a handy man, an apprentice to paper hangers, masons, and house painters, is now enthroned as the lord of a great empire.

Adolf Hitler is the living apotheosis of mankind in transition. This native of Austria who achieved the rank of corporal in the German Army during the World War has before the eyes of a world dwarfed the figure of von Hindenburg, dispelled the shadow of the Kaiser, made ex-chancellors and princes his servants, and thrown consternation into the midst of the ruling heads of the world's great powers.

This medium-sized, dark-haired man of obscure origin has been able to elevate the Nordic blond type into a symbol of a new racial mythology. A superb showman and orator, he has dramatized the drama of a people in confusion. Ridiculed by intellectuals as a pasteboard Napoleon, he has managed in a brief moment to mobilize emotion as it has never been done before. Under his magic wand, a nation treasuring culture willingly became a nation in uniform.

Hitler, the apostle of Teutonism, is himself partly of Slavic stock on his mother's side. This did not prevent him from capturing the imagination of the German people who made him their uncrowned master when he was only forty-three years old, and only two years after he acquired German citizenship by a ruse.

This bachelor dictator who is a vegetarian, who does not drink, who does not smoke, who shies away from women, who loves music, who has many associates but no intimate friends, whose unselfishness is undeniable, is complex enough to baffle any eyewitness. For Hitler burns with an inner fire, the fire of a dervish who becomes the prophet of a holy war.

LIKE Hitler, his chief political lieutenant, Dr. Paul Joseph Goebbels, is anything but Nordic in appearance. Small, dark, afflicted with a club foot, the head of the Ministry of Propaganda, which is the dynamo of the Nazi regimentation of opinion at home and abroad, is a fiery orator. Before Hitler's rise to power, Goebbels was the *enfant terrible* of the Reichstag. He surpassed even the Communists in the art of invective. As the editor of the Berlin organ of the party, the *Angriff*, he was involved in numerous libel suits, all of which he lost. When it comes to Nazi policies on morals and culture, Goebbels is the official spokesman.

The high priest of the Nazi philosophy is Alfred Rosenberg. Curiously, this colleague of Hitler's is also an immigrant, a former citizen of Russia, a native of the Baltic region, and one who fought during the World War against Germany. Unlike Hitler, he is truly Nordic in appearance. Behind the official Foreign Minister of Germany stands Rosenberg, whose all-consuming ambition is German expansion at the expense of Russia.

UNDER Hermann Goering is the secret police department which carries out Nazi orders. Like the Okhrana of the Czarist days and the Ogpu of present-day Russia, it is an agency which works mysteriously, which relies on widespread espionage and denunciation, and exercises power over the life of every German

AMERICAN GUARD

Established in Boston with the purpose
TO MAINTAIN, DEFEND AND ADVANCE AMERICAN IDEALS,
ARYAN CONCEPTS AND CULTURE;
TO FURTHER THE CAUSE OF NATIONAL UNITY AND SOCIAL JUSTICE
, published monthly, beginning with the June issue

•

WILL TELL YOU WHAT'S WHAT AND WHO'S WHO!

Every American who loves his country, every Gentile, man or woman, awake and act! The noble men of New England; the strong men of the Middle West; the eagle faced men of the Sierras; the old Cavaliers of the South . . . . to the front! Let us forget our differences and local quarrels! Let us join forces to defeat

THE COMMON ENEMY

Here is the real challenge of the future: National reconstruction, political reformation, reforging America! This needs new thinking! The task is a great one! Let us, then, act in the spirit of our forefathers! Let us be worthy of them who insured to us an heritage! Let us have faith! Let us have courage! And do our duty both to the dead and to the unborn!

Boston, Mass., May, 1932
AMERICAN GUARD

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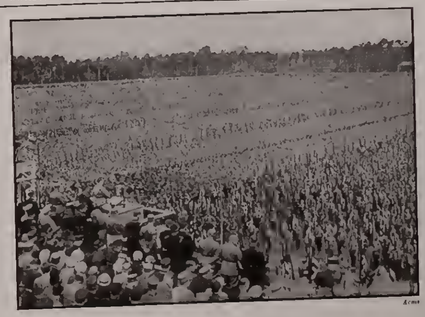
TO OUR READERS

We have a hard and bitter struggle before us and we need your moral and your practical help.

We welcome valuable information with full data based on facts. Support of every kind will further our task. Please address communications and contributions to the Editor. Make checks or money orders payable to the

SWASTIKA PRESS, P. O. Box 6, BROOKLINE, MASS.

A photograph of o portion of the back cover of Ludecke's "Declaration of Independence" number of the "American Guard," (above) in which he stated the Nazis' principles



The Nazi strength in Germany is well indicated by the photo (right) showing thousands of brown-shirted followers listening to an address by Hitler

Acme

Here are some cases dropped by Special Boards of Review. The 4-point program will restore them on a basis equal to those who were wounded in action.

1. Man discharged in November, 1917 after 45 days' service in camp for suffering certificate of disability "for hammer toe and totally unable to march. Existed at full allotment." Files claim in January, 1927, "for nervousness, stomach and rheumatism unknown." Pension began January, 1928. Man has been getting $12 a month for four years, seven months. To 4-1-33 total estimate $7,248.

2. Man served in Naval Aviation 14½ months. No defects at discharge in February, 1919. Filed claim in March, 1925, "sleeping sickness began March, 1923, due to service and began while in service." Man worked as an elevated mechanic until 1922, then he became a member of the New York Fire Department. Showed evidence of sleeping sickness in 1923. He got on the pension roll on presumption of service in June, 1924. Has been drawing $150 per month from March, 1925. Total estimate to 4-1-33—$7,350.

3. Man served 131 days in the Navy. Discharged January, 1919. No treatment in service, no defects at discharge. Filed claim in October, 1925 for "paralysis agitans" January, 1922." Service-connection on presumption from June, 1924. Has been drawing $140 per month from January, 1927. Total estimate to 4-1-33—$10,375.

4. Sixteen days' active service in 3rd Corps Artillery Troops. Discharged November, 1918, on a surgeon's certificate of disability for dementia praecox—existed prior to enlistment. Filed claim in December, 1918, service-connection on presumption from day of discharge. Has been drawing $100 a month from October, 1928. Total estimate to 4-1-33—$13,410.

5. Man served in Students' Army Training Corps 74 days. Discharged December, 1918. No defects at discharge. Filed claim September, 1924 for "T. B. began March, 1924. Cause unknown." Has been drawing $50 statutory award for arrested T. B. since November, 1928. Service-connection on presumption from November, 1923. Total estimate to 4-1-33—$5,000.

6. Drug addict. Five days' actual service. Discharged March, 1918 on surgeon's certificate of disability for drug addiction. Treated for drug habit, heroin, received prior to enlistment. Service-connection denied and pension from date of discharge to July, 1931, payments were cut to $20 per month, as man was in an institution, and his estate exceeded $5,000.

7. Deserter. From the Navy in January, 1919, after service from April, 1917. Turned up in Asylum. Believed Hospital where discharge was already previously given him, date unknown, and put on the pension role in April, 1924. Total estimated cost to the Government to 4-1-33—$5,381.

8. Deserter. After 114 days' service deserted in July, 1918. Not found until man turned up at hospital in November, 1924 suffering with dementia praecox paranoid. Filed his claim in December, 1925. Then he gets honorable discharge on surgeon's certificate of disability for dementia praecox in April, 1925. Service-connection from the same date. Has been drawing $100 a month. Total estimate to 4-1-33—$9,000.

9. Quixotic. Served 42 days in camp. Army record shows "examined 10-31-17. Accepted for military service. Reexamined 12-12-17, and found physically unfit by reason of epilepsy grand mal." Files claim in August, 1924. Service-connection from August, 1923. Evidence in man's file is to the fact that since one year of age, each had spinal meningitis of one form or other. Total estimated cost to 4-1-33—$7,964.

10. War enlistment 6 months, 6 days. Discharged January, 1919. "No treatment in service and no defects at discharge." Four post war enlistments, and one honorable discharge. Files claim in September, 1925, for "mental disorders. Service-connection from August, 1924. Total estimated cost to 4-1-33—$8,900.

FACTS!!!

At the close of the Spanish war 15,021 new names were on the pension roll. Thirty years later there were 196,043 on the Spanish war pension roll.

The pension racket in the U. S. after a war, has always cost the country a lot more than it cost to fight the war itself.

80 widows from the War of 1812 are still receiving pensions. Their husbands were in the service 122 years ago, and when they were old men married young girls who got the pensions.

Revolutionary War pension laws were passed as late as 1880. The last widow died in 1911.

Civil War pensions cost three times as much now as they did five years after the war. The Civil War bill last year was over $100,000,000.

Emergency Captain retired for 30% Disability—$127.50 per month

Widow of Emergency Captain killed in combat—$30 per month

"DEAD MEN CAST NO VOTES"

The U. S. Is the Only Country in Which Pensions Are a Political Issue

Every American Should Study the Facts and Help to Wipe Out This National Scandal

The history of pension legislation in the United States has always been the same. At the close of a war pensions have been granted to the widows of those killed, and to those veterans injured in war service. In later years laws are passed which grant pensions to hundreds of thousands of veterans who may or may not have been injured—bonuses and other benefits are given to all veterans, simply because they had the privilege of wearing the uniform.

This always works to the advantage of veterans as a class and to the disadvantage of deserving veterans, and of all citizens who are not veterans.

The diagram above shows a case in point. At the close of the World War the widow received a pension of $30 per month. It should be increased. Nine years after the Armistice, however, the law was passed which gives the partially disabled captain his big pension. And bills now before Congress, based on the misleading "4-Point Program" of the American Legion, would increase the partially disabled captain's pension to $150 and would also open the gates to the widows of veterans not injured in service, and who did not marry at all till long after the war. The American Legion program would also place back on the pension rolls all the veterans whose injuries, in the opinion of impartial reviewing boards, were not of war origin.

27,000 of the 29,000 were removed by unanimous vote of the boards.

The veterans' lobby is still working for the immediate payment of the Bonus which is not due till 1945, which was vetoed by three Presidents of the U. S. and which should never have been passed in the first place.

We who are paying for this advertisement protest that the individual veteran, unable to make himself heard, is being disgraced by a political lobby which is trying to force the so-called bonus bill, and various pension bills, through Congress.

THESE BILLS ARE VOTE GETTING SCHEMES: FOR WHICH THE AMERICAN NATION WILL PAY IN BILLIONS OF DOLLARS FOR GENERATIONS TO COME.

HOW OTHER COUNTRIES HANDLE IT

In most countries pensions are based on war records—not on politics. Here is the result:

	(Figures World War only.) Men mobilized	"Includes advance appropriation $200,000,000 Dead and wounded	"Bonus" One year's budget (1932)	Per capita based on men mobilized	Per capita based on dead and wounded
United States	4,757,240	322,497	*$860,635,000.00	$180.91	$2,668.66
Germany	13,000,000	6,111,892	298,600,000.00	22.98	48.87
France	8,410,000	5,623,000	286,722,090.00	34.09	50.99
Great Britain	6,600,000	3,000,000	174,802,666.00	26.49	58.27
Italy	5,615,000	1,597,000	69,853,300.00	12.44	43.74
Canada	619,636	232,045	61,123,000.00	98.64	263.41
Total for foreign countries	34,244,636	16,563,907	$891,190,360.00	$26.02	$53.80

American Legion Members Have Twice the Average Income

It is true that many American veterans are poor and destitute. That has been the common misfortune. They deserve help to the same degree that other unfortunates, who are not veterans, deserve help.

As a matter of cold fact, the veterans of the World War, as a class, are less in need of relief than any other group of citizens. The official organ of the largest veterans' organization in the country, American Legion, says in an advertisement published on March 1st, "Legionnaires earn *double the average income*. Legionnaires have *proved* that they are insurance minded—94% of them are insured for an average amount of $12,050. And 84% of them own automobiles." And yet the veterans' lobby would make of these men a special privileged class, at the expense of their fellow citizens.

If you are a veteran of any war we need your help to fight the lobby. Fill in and mail the coupon opposite. If you are not a veteran we need your support just the same. Mail us a check, no matter how small, to help us carry on the fight to defeat the pension racket. And wire your senators and congressmen to limit pensions to those actually injured in war service.

THE AMERICAN VETERANS ASSOCIATION INC.

AMERICAN VETERANS ASSOCIATION
420 Lexington Ave., New York

Please let me know how I can help.
I am a veteran .....
I am not a veteran .....

NAME.....

ADDRESS.....

STATE.....

HITLERISM INVADES AMERICA

Opportunity for Rejoinder Offered Those Who Are Prominently Mentioned in the Article

IN connection with the installment of *Hitlerism Invades America* which appears in this issue the editors of TODAY sent telegraphic invitations to leaders of the Friends of the New Germany, and others mentioned in the article, offering them the opportunity of rejoinder.

Replies were received from only two persons included on the following list to whom telegrams were sent: H. P. Lohmann, San Francisco; George Froboese, Milwaukee; W. Aldinger, Philadelphia; Oscar Schilling, Newark, N. J.; A. Knoedler, Cincinnati; Captain Robert Frederick Pape, Los Angeles; Dr. Wilhelm Tannenberg, Chicago; Reinhold Walter, New York City; and Dr. Dollefeld, St. Louis.

MR. WALTER, identified in the article as head of the Manhattan Local of the Friends of the New Germany, wired:

"ANSWERING YOUR TELEGRAM TODAY STATEMENTS MADE THEREIN ARE ALL UNTRUE STOP FRIENDS NEW GERMANY HAVE NO STORM TROOPERS CONSEQUENTLY I CANNOT BE GUARDED BY ANY STOP WOULD BE HAPPY IF RECEIPTS HAD REACHED AT ANY MEETING FIVE PERCENT OF SUM NAMED STOP ENGELBERT ROELL IS NOT TREASURER

"REINHOLD WALTER."

Dr. Dollefeld wired:

"I AM NOT THE LEADER OF ST. LOUIS LOCAL FRIENDS OF THE NEW GERMANY PRINCE LOUIS FERDINAND DID NOT ADDRESS OUR MEETING ST. LOUIS GROUP HAS BEEN ORGANIZED TO ELEVATE THE GOOD RELATIONS AND FRIENDSHIP BETWEEN GERMANY AND USA TO HELP REDUCE UNEMPLOYMENT AND END DEPRESSION BY RESTORING NORMAL COMMERCIAL INTERCOURSE BETWEEN THESE TWO NATIONS AND THE WORLD THE ORGANIZATION IS NOT A HITLER PROPAGANDA ORGANIZATION BUT AN ORGANIZATION OF HUMANITY AND FRIENDSHIP

"DR. DOLLEFELD."

Can't You Do Something?

The work of a Congressman, it seems, is never done

As told to Raymond R. S. Camp
By REPRESENTATIVE JOHN J. DELANEY

Author's note: Probably no member of the House of Representatives has a wider acquaintance among his fellow members than Representative John J. Delaney, of the Seventh District, New York. He was a member of the Sixty-fifth, or War Congress; the Seventy-second Congress, and the present Seventy-third Congress. He is an active member of the Naval Affairs Committee and is chairman of the Sub-Committee on Aeronautics.

• • •

FORTUNATELY, someone recently remarked, no code limits the hours of a member of the House of Representatives. Fortunate, perhaps, for the nation, but rather unfortunate for the Representative. The ordinary day begins with his arrival at the House Office Building at nine oclock and ends when there is no possibility for further accomplishment. In these days of excitement the closing hour is usually a late one.

I arrived at my office on a typical day to find on my desk a bulky draft of a bill for increased taxation. Flanking this bill was the usual daily stack of mail, classified in a manner peculiar to my secretary. I paid mental tribute to the sage who exclaimed against the remarkable lack of rest for the weary—or was it the wicked?

I tried to digest the contents of the new bill, with a pile of correspondence catching my eye every time I lifted my gaze from the printed line. It could not be done. So I pushed the bill to one side and resignedly clutched a sheaf of letters.

NO two were alike. No two wanted the same thing. But all had one thing in common: "Can't you do something about this?" Some I skimmed through; the usual crank letters. Others I gave a more careful reading.

Here was a man taking up heaven knows how much time and ink to express his views on the gold standard—which he did not understand. Another poured his scorn on all who favored silver. A Civil Service labor group from a government Navy Yard wrote a polite but strong request for additional construction and repair work at that yard, complaining that the Navy Department had discriminated against them. Without more work, the letter continued, a thousand men would lose their means of livelihood, a thousand homes would be cold.

A minor political figure from home wrote that he would be in Washington the following week. Would I be kind enough to obtain hotel accommodations for him, as well as tickets to some good show?

A woman would be eternally grateful if I would forward to her cards of admission to the House. Another wrote from Brooklyn, asking why I could not come home and balance the New York City budget. Just like that!

Following came a score of letters requesting positions in the government service; followed by the usual half-dozen demanding that the number of government employes be reduced.

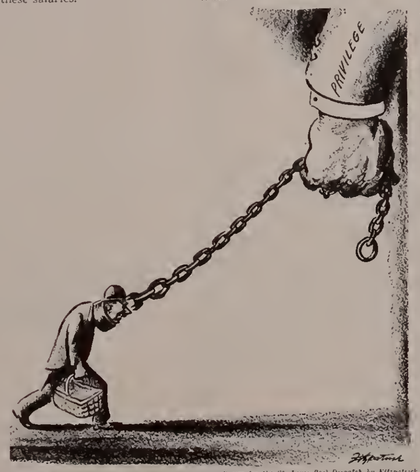
One correspondent, evidently angered at a recent and painful clip of the Wall Street shears, insisted that I drop whatever I was doing and draft a "fool-proof" bill regulating the machinations of the New York Stock Exchange. He quoted several of Samuel Untermyer's recent suggestions and gave others without the distinction of quotation marks.

A woman wrote in protest of the increase in commodity prices and added a postscript to the effect that railroad and insurance executives were being paid outrageous salaries. A day never passes that I do not receive one or more letters relative to these salaries.

The majority of the letters, I decided with some measure of relief, could be answered by my secretary; a few I put aside in a special niche for further study. And now, if the intermittent opening and closing of the outer door was any indication, I could look forward to an hour of receiving visitors. I pressed the "let 'em in" signal and waited for the worst.

The first supplicant was an elderly woman, neatly but cheaply dressed. Her mother, it seemed, was alone in the Old Country, and would be happier in her declining years if she could make her home with her daughter. Unfortunately, the woman explained, the immigration officials were enforcing the law with unnecessary strictness. The daughter had a good position and would be able to support her mother. Why should she be kept out? Couldn't I help? So-and-So had told her I could if I would.

I mentally relegated So-and-So to the uttermost extremes of Limbo and then explained the reason for the policy of the immigration men.



Drawn for the St. Louis Post-Dispatch by Fitzpatrick

Of course, we didn't have tyranny then

There were about 200,000 persons out of work in the area from which she came, I pointed out. Many of them were living on charity. I lacked the courage, I told her, to take any chance of adding one person to such a long list. The woman interrupted to explain tearfully that she could easily support her mother. There was no reasoning with her, so I told her to forward a statement from her employers as to the chances for her continued employment, and to send a signed statement from her banker as to her resources.

As she departed, two boys, both in their teens, advanced rather sheepishly across the room. Each waited for the other to open the conversation. They were from the home town; they had purchased a fifty-dollar car, driven it to Florida, and were now on their return trip. They had but sixty cents in cash, no gasoline, and there were still some three hundred miles to be covered. The front tire threatened to "blow" at every revolution. It was a terrible situation! I agreed with them wholeheartedly and did my best to suppress a smile as I "dug down."

CAME then a woman desiring admission cards to the Bureau of Engraving and Printing; a man wanting a job in the ordnance factory; another, bursting with wrath at the President's gold bill; another who wanted an explanation in "baby English" of an impending waterways bill, which in no way had any effect upon the area from which he came. The last visitor was the representative of the home town Chamber of Commerce, which had assumed an interest in a certain piece of legislation. I arranged a conference with him for the following day.

It was nearly noon when I signalled "do not disturb" and began a delayed study of the bill on my desk. The warning bell, which rings at eleven-forty-five to signal the opening of the House at twelve, broke up my concentration. Stuffing the bill into a folder, I gathered up some notes on another bill in which I was interested and which was due for discussion, and departed for the House.

As I paused on the steps for a few breaths of air I heard a young woman, in excited anticipation of her first visit to the House, expressing her awe of the Congressman's power. She wondered how men, selected as Congressmen were, could have such broad knowledge; how could they decide intelligently upon so many things? The man with her was not much help.

"I dunno," he responded. "I suppose they get the hang of it in time."

→ And the price indicated includes a private bath

Now gaze upon the AMERICAN conception of travel luxury!

SOMETHING *big* is happening on the high seas—something big for *America!* The new steamships *Washington* and *Manhattan,* two of the most sensational successes on the sea, were BORN IN AMERICA—were planned by Americans, built by Americans—owned by Americans, and manned by Americans. And one glance at the spacious luxury of their magnificent staterooms will tell you... these regal ships were built *for* Americans. They are the two largest liners that America has ever built... the fastest cabin ships in the world.

New S. S. MANHATTAN
April 25, May 23, June 20

New S. S. WASHINGTON
May 9, June 6, July 4

Tourist accommodations on the *Washington* and *Manhattan* from $113 one way, $204 round trip.

S. S. PRESIDENT HARDING
April 18, May 16, June 13

S. S. PRESIDENT ROOSEVELT
May 2, May 30, June 27

A Few Features of these New Ships—Unusually large staterooms, magnificent swimming pools, spacious sports decks, gymnasiums, air-conditioned dining salons, telephones in every cabin stateroom, large wardrobe space, children's playrooms, hot and cold running water in every cabin.

The *Manhattan* and *Washington* with their running mates, *Pres. Harding* and *Pres. Roosevelt,* offer weekly service to Cobh, Plymouth, Havre, Hamburg. See your local agent. His services are free. Roosevelt Steamship Co., Inc., General Agents, No. 1 Broadway, N.Y.

UNITED STATES LINES

April 7, 1934 Price 10 Cents

TODAY

Raymond Moley, *Editor* • Vincent Astor, *Publisher*

The Second Installment of

HITLERISM Invades America

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

Today's Mail

SIR: I enjoyed the article, *Paying Doctor Bills*, and I believe that if people were paid a living wage they could pay for medical attention. I do believe that in some cases fees have been and are exorbitant. People of my own acquaintance who have two cars, a city home and a country home, patronize clinics and receive free advice and care. Why not give these people free gasoline for their cars?

Truly, a good doctor must be human as well as able. I have many patients who cannot pay, and medicines have been provided for them. Not many so-called medium-priced clinics can do that or would do that.

In these times, when we are all hoping for the return of the small business man, why talk of big medical centers and corporate medicine?

Considering the years I have spent in getting an education, going without food and clothes and working after school hours, I do not believe that I should do the same to work for any state clinic; neither will the boys of this generation study medicine in order to work for some one else.

In my opinion, the medical profession is well able to take care of the poor, and should.

A.C.P.

Chicago, Illinois

•

PRAISE FROM SIR HUBERT

SIR: You are printing some great articles in TODAY. And thank heaven you have the good sense not to flossy them up and over-illustrate them. What a mess the so-called popular magazines have become, since the idea grew up that type is just something to run around pictures, and the more run-around the better.

I'm thinking particularly of the Sherwood Anderson series. To me, they're the perfect example of what a magazine can do when it gives a thoughtful, sympathetic, unstandardized reporter his head.

You may not get a million readers the first year, but you are making friends of those you do get, and they are talking about TODAY.

THOREAU CRONYN

New York

•

(Mr. Cronyn was a thoughtful, sympathetic, unstandardized reporter himself in the best days of the New York *Sun*. He was managing editor of Collier's *Weekly*. Of late he has been taking Harvard awards as an advertising writer.—THE EDITORS.)

•

VITAL

SIR: TODAY is one of the most vital publications in print; almost every article is such an interpretive and revealing survey of the trend of affairs that we on the Vancouver *Sun* here tear out the various pages and pass them around.

I hear your magazine widely discussed.

ROBERT CROMIE

Publisher,
The Vancouver, British Columbia, *Sun*

•

FOR GOINGS ON

SIR: I look to the magazine for background and all the important goings on in the national news.

D. R. FITZPATRICK

Cartoonist,
St. Louis *Post Dispatch*

MR. WEITZENKORN

MR. LOVE

Louis Weitzenkorn now is writing motion picture reviews for TODAY. John W. Love is author of "Labor Prepares to Clean House," in this issue

Table of Contents — April 7, 1934

TODAY

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

Vol. I, No. 24. Entered as second class matter at the Post Office at Dunellen, New Jersey, under the Act of March 3, 1879, by Today Associates, Inc., Washington and South Avenues, Dunellen, New Jersey.

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Today's Contributors

JOHN W. LOVE, a Cleveland newspaperman who writes a daily column on business and industry, was a lathe hand and factory laborer in hardware and shafting plants before becoming a labor reporter. He has "covered" steel, coal and railroad strikes for years. His first direct observation of labor in action was at the Montreal convention of the American Federation of Labor in 1920, when the metal trades' and miners' groups almost took control of the organization from the building unions. Since then he has reported several conventions of miners and railroad men. His acquaintanceships have ranged from Samuel W. Gompers to William Z. Foster. He has contributed articles on business and economic subjects to syndicates and magazines.

Mr. Love, son of a doctor, was born at Shelby, Ohio. He received his A.B. from Oberlin College.

In 1914 he became editor of the Shelby *Citizen*. From 1916 to 1920 he was industrial editor of the Cleveland *Plain Dealer*. In 1921 he edited a survey of criminal justice for the Cleveland Foundation.

•

EMMA BUGBEE, a member of the editorial staff of the New York *Herald Tribune*, has covered ("somewhat breathlessly," she says) the varied activities of Mrs. Franklin D. Roosevelt, in Washington, New York and Hyde Park, since the beginning of the Roosevelt Administration. Recently she flew with Mrs. Roosevelt to Puerto Rico. As a writer of women's political news for her paper, she had watched Mrs. Roosevelt's career for many years. Miss Bugbee comes of New England parentage. She was graduated from Barnard College. Her newspaper work has been entirely with the *Herald Tribune*.

•

RUSSEL CROUSE, who has been a newspaperman most of his life, has written four books—*Mr. Currier and Mr. Ives, It Seems Like Yesterday, The American Keepsake* and *Murder Won't Out*. He also has written two musical comedies, *The Gang's All Here* and *Hold Your Horses*, the latter in collaboration with Corey Ford. Born at Findlay, Ohio, Mr. Crouse was educated in the public schools of Toledo. He began his newspaper career as a reporter for the Cincinnati *Commercial-Tribune*. For five years he conducted a column on the Kansas City *Star*.

•

FREDERIC A. STEELE, newspaperman and free lance writer, has been a member of the staffs of the Kansas City *Star*, the old New York *Herald* and the old *World*, the *Herald Tribune* and the *Evening Journal*. He is now a member of the staff of TODAY.

•

ALAN MACDONALD is a New York newspaper man and a contributor to numerous magazines. He was a staff writer for the Sunday magazine of the New York *World* before its consolidation with the *Telegram*.

•

JOSEPH M. CLARK came to the staff of TODAY from the Southbridge, Massachusetts, *News*, of which he was managing editor. Born in Texas, he formerly was with the United Press Associations in Dallas, Texas, and New Orleans, Louisiana.

"ACTIVE IN THE NAZI MOVEMENT"

The German Acting Consul General in Chicago, Wilhelm Tannenberg, who is described as o former Germon ormy officer ond now "active in the Nazi movement," is shown in the photograph obave os he spoke at a recent Nozi meeting in Chicaga. In the photagraph, Cansul General Tannenberg may be seen standing behind the microphane at the speaker's stond, which is decarated with the Nazi swastika. Back af the speaker may be seen the United States and German flags, with a larger repraductian af the swastika. During the pragram the audience rase ta give the Nazi salute. (See the photagraph of the oudience, taken fram the front, an page 6)

RAYMOND MOLEY
EDITOR

TODAY
A PERSONAL JOURNAL OF PUBLIC AFFAIRS

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HITLERISM INVADES AMERICA

The second of a series of authenticated articles exposing anti-American influences at work in the United States

By SAMUEL DUFF McCOY

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HITLERISM already has brought a rebirth of organizations of the 150-per-cent-American sort so familiar to the United States from the days of the Know Nothings on down through the period of the Ku Klux Klan.

Some of these organizations proclaim openly their kinship with the Nazi philosophy. Some are content to work toward such hatreds and reprisals as have marked the new regime in Germany.

The growth of these organizations has been substantial and steady. Their appearance at this time is regarded by many thoughtful observers as perhaps the gravest aspect of the Hitlerism invasion.

Foremost among these new bodies is the Silver Legion, whose headquarters are in Asheville, North Carolina, and whose boast is that it "has gotten itself solidly entrenched in twenty-seven states of this American Commonwealth, from Massachusetts to California, and from Ohio to Texas," that "United States Army officers are with us," and that "secret agents of the State Department and the Military know that we are gathering to uphold their hands."

Membership in the Silver Legion is open to both men and women. The qualifications are:

"If you are eighteen years of age, of reasonably sound health, and not afraid to risk your life and limb for your country, you are asked to take the Oath of Consecration upon you and step out as a TRUE CHRISTIAN SOLDIER, garbed in a shirt of silver with the great scarlet 'L' emblazoned on your banner and over your heart, standing for Love, Loyalty and Liberation."

Members of the Legion call themselves Silver Shirts.

The Silver Legion is the creation of William Dudley Pelley, who was born in Lynn, Massachusetts, forty-nine years ago, published weekly newspapers in Massachusetts and Vermont for ten years and then founded a school of "Christian economics," which has a League for its promulgation, with headquarters in Washington, and a college for its teaching, at Blue Ridge, North Carolina. The organ of the school was a weekly newspaper, *The Liberator*.

With the issue of February 18, 1933, *The Liberator* became known as *Liberation*, and the Silver Legion was announced. The announcement took this form:

"On the evening of January 30, 1933, in a Colonial-styled structure at the corner of Charlotte Street and Sunset Parkway in the little southern city of Asheville, North Carolina, American history was made.

"No one knew American history was being made. The usual evening lamps were burning in the building that is locally known as Galahad College. Asheville was going about its customary evening business. Great America was deep in the throes of a mysterious 'depression.'

"But in the eastern wing of the building, in a room made up on two sides of glass windows, an office worker had laid down the current copy of the night's local paper on the desk of the Chief. In heavy black type across the eight columns of its front page were the screaming headlines:

"'ADOLF HITLER NAMED GERMAN CHANCELLOR.'

"Pelley paused in his *Liberation* script work, saw the headlines and picked up the newspaper with a strange constriction in his spirit.

"*Four years previously* he had been 'inspirationally' instructed:

"'When a certain young house-painter comes to the head of the German people, then do you take that as your time-symbol for bringing the work of the Christ Militia into the open!'

"The 'certain young house-painter' had come to the head of the German people!

"Pelley pressed an office buzzer and called about him the handful of workers still remaining in the building.

"'Tomorrow,' he declared, 'we launch the Silver Shirts!'"

Relations between the Silver Shirts and supporters of Hitlerism here are close.

The name of Hitler recurs constantly and approvingly in *Liberation*. His book, *My Battle*, is listed among "Liberation Publications." *Liberation* itself is distributed for sale in New York from the publication office of the Nazi official organ, *Deutsche Zeitung*.

On another page of this issue of TODAY is an account of one of the "semi-public meetings"

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In the second article of its series, "Hitlerism Invades Americo," TODAY presents two aspects of the situotion into which it has been inquiring.

One concerns the Silver Shirts, an organization whally American in canceptian and origin but, in the hatreds and the reprisals it seeks ta provake, paralleling the Hitlerism of Germany with which it professes a comman purpose. Vialently anti-Semitic, the Silver Shirts have enralled a membership of 75,000 and naw are centering attentian upon the "actianist arm," a uniformed, military branch called the Silver Rangers.

The secand aspect cancerns the capture, aften by strong-arm methads, af established German and German-American organizatians thraughout the United States by the Nazi League af the Friends of the New Germany.

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Keystone—Paramount News

It was from the steamship Este (above) that Nazi propaganda was seized by United States Customs officials

to which prospective members of the Silver Legion are invited. Praise of Hitler and of Hitlerism was sounded at this meeting.

"Guards" are always present at these meetings. They have an air, in New York City, at least, of belonging not to the Legion but to some other organization. There have been instances of such "guards" being present in the uniform of Nazi Storm Troopers.

The Silver Shirts have their own "actionist arm," however. Known as the Silver Rangers —"gentlemen Silver Shirts who would ride to High Adventure"—its headquarters are at Oklahoma City, Oklahoma, where the Quartermaster Corps fills orders for uniforms at $10 each.

Especial attention is being given to the expansion of the Rangers just now, both in numbers and in distribution.

"Not all can qualify for this resplendent service," aspirants are warned.

"The Silver Rangers constitute a great body of picked men, the equal of any constabulary in any of the States, who shall ride shoulder to shoulder toward the support of harassed police and State constabularies, arousing the citizenry to the menace that threatens their stalwart police forces, the thunder of thousands of Silver Shirt horses sounding their own warning tocsins to the real seditionist and the syndicalist agitator, inspiring faith and hope in the great body of the dizzied, pitchforked and intimidated populace, rallying the great Christian forces of gentlemanliness and knighthood in a splendorful gesture to take this country back out of the hands of the alien debauchers and give it to the representative democratic citizenry.

"The Silver Legion has no designs against the government, it is not interested in seizing public buildings or intimidating officials. It is solely directed against America's malefactors, who are bringing America down into wreckage."

Liberation has but one mind as to who "America's malefactors" are.

They are the Jews.

Weekly *Liberation's* twelve pages are devoted largely to accusation and denunciation of the Jews. Not even the Ku Klux Klan in its most vocal days spoke so violently against the Jewish race, for *Liberation* has not hesitated to lay its allegations against men in highest office.

In the issue of January 27, 1934, Pelley (for *Liberation* is almost wholly the product of his pen) declared:

"In America a great stock market crash occurred involving a Jew in command of the American Federal Reserve acting with a Gentile President shown to have achieved his high position at the behest of certain great English Jews. A great depression came upon the land; a depression in which great hordes of Jews grew wealthy through foreclosures and foreign manipulation politely styled 'international banking.'

"To cover the loot which had been stolen from the Treasury of the United States, as charged in sundry issues of the Congressional Record, the President, who is reliably reputed to be the descendant of certain Dutch Jews, was elected to office on campaign contributions generously supplied by Jews.

"At once he proposed a Recovery Act written and sponsored by Jews. His most vital appointments in effecting this Jewish measure were of Jewish persuasion. Men began to take notice that Jews swarmed everywhere in both political and economic circles, and whether they could be proved to be the originators of it or not, under their domination the country seemed to go from bad to worse. Relief measures proposed by Jews and administered by Jews or parrots for Jews brought small relief."

Bulletin Number Three of the Silver Legion and the Silver Rangers expanded this theme. It asked:

"Do you know that forty millions in this nation are living on charity, during a period of natural abundance?

"Do you know that this charity is being deliberately encouraged, that the resources of all may be depleted and thus the citizenry be subject to the plotters?

"Do you know that the average banker is the tool of the conspirators, the pawn of higher-ups, who at the present moment are taking their orders from Europe?

"Do you know that the real control of the Federal Reserve System is ninety per cent Jewish?

"Do you know that the same elements that succeeded in capturing control of our Federal Reserve System furnished millions for the overthrow of the Russian Government in the setting up of Sovietism?

"Do you know that military investigators have discovered that 1,670,000 Russian intelligentsia—gentiles like yourself—have been murdered by the OGPU or Russian Secret Police in order to set up the Soviet State?

"Do you know that the present NRA was set up by the Jews, foisted on a political administration by the Jews, and that known Communists, war-time seditionists, or affiliates of the nefarious American Civil Liberties Union, are heavily sprinkled throughout NRA officialdom?

"Do you know that the Protocols, the prototype of the government which Jews have set up in Russia, make the Elders of Zion declare: 'We will build a new aristocracy . . . the aristocracy of wealth, of which we *have control*. . . . We intend to appear as though we were liberators of the laboring man. . . . We

Acme

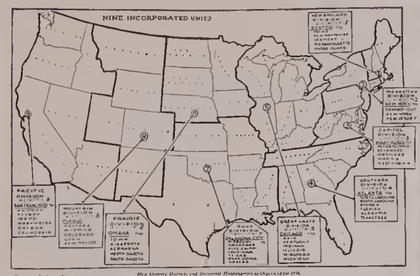
When Federal Customs men seized 300 pounds of Nazi literature, aboard the North German Lloyd freighter Este, at New York City, February 6, 1934, they found it difficult to fix responsibility. Here the freighter's cook, Martin Pallor (right), is being questioned by Inspector Samuel F. Antz of the Customs offices

The California "Silver Shirts" publish the "Silver Ranger" (above), which declares that 1934 is the "year for action"

Heinz Sponknoebel (below), former head of the Nazi activities in America, who was the center of factional strife until his actions were made the subject of Federal scrutiny and he fled to Germany

Fotofinish

The weekly magazine "Liberation" (above) carries instructions and information to the "Silver Shirt" branches

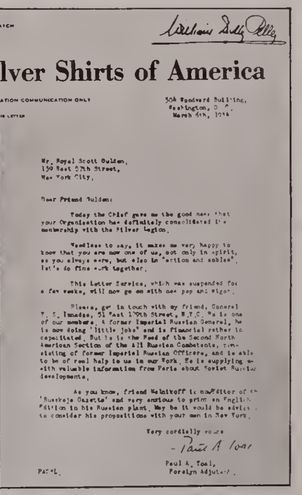


From *Liberation*

"The Battle Line-up" is the way the map above is described in the December 30, 1933, issue of "Liberation"

International

William Dudley Pelley (right) is publisher of "Liberation" and chief of the "Silver Shirts"



OFFICIAL DISPATCH

Silver Shirts of America

INTER ORGANIZATION COMMUNICATION ONLY

IN ANSWERING THIS LETTER

508 Roosevelt Building,
Washington, D. C.
March 6th, 1934

Mr. Royal Scott Gulden,
190 East 57th Street,
New York City.

Dear Friend Gulden:

Today the Chief gave me the good news that your Organization has definitely consolidated its membership with the Silver Legion.

Needless to say, it makes me very happy to know that you are now one of us, not only in spirit, as you always were, but also in "action and saddles". Let's do fine work together.

This Letter Service, which was suspended for a few weeks, will now go on with new pep and vigor.

Please, get in touch with my friend, General P. T. Imadse, 21 East 120th Street, N.Y.C. He is one of our members. A former Imperial Russian General, he is now doing "little jobs" and is financial rather incapacitated. But he is the Head of the Second North American Section of the All Russian Combatants, consisting of former Imperial Russian Officers, and is able to be of real help to us in New York. He is supplying us with valuable information from Paris about Soviet Russian developments.

As you know, friend Wakhteff is now editor of the "Russkaia Osarita" and very anxious to print an English edition to his Russian plant. May be it would be advisable to consider his propositions with your men in New York.

Very cordially yours,
Paul A. Tool
Paul A. Tool,
Foreign Adjutant.

Paul A. Tool, Foreign Adjutant of the "Silver Shirts," welcomed a new group of members (as shown above) under authority of "the Chief," but Mr. Gulden denied to TODAY that his organization, the "Order of '76," had been consolidated with the "Silver Shirts"

shall suggest to him that he join the ranks of our armies of Socialists, Anarchists and Communists. . . . The latter we always patronize, pretending to help them out on fraternal principle and the general interest of humanity evoked by our socialist masonry. . . . We must extract the very conception of God from the mind of the Christian?'"

In the issue of *Liberation* for March 17, 1934, Silver Shirts were adjured: "Don't Be Fooled by Startling Propaganda."

"These are times," they were told, "when events are happening so swiftly behind the scenes that none but the adept may successfully follow the trail of the serpent of Jewry.

"There are, however, a few simple facts which cannot be gainsaid, for which there is a world of proof, and which will forever make the true course of the diablerie plain.

"It needs no further evidence at this moment to explain that Jews everywhere are ensconced in positions of power.

"The fact that the Jew is in the seat of power makes but one issue in these United States, and that is the forcible removal of the Jew from office, or from controlling public office.

"It is just as simple as that and some day it will be just as simply realized. The Silver Legion takes such a stand because it has sufficient evidence at hand to impeach and convict the great mass of them."

Having set this forth on the first page, a variation upon the theme appeared on the last, with the caption, "At the Crossroads of Eternity!" There it was said:

"Thousands of pages of photostatic evidence are at hand to prove that the Jew—the epitomization of materialism—is the pollution of the bloodstream of civilization, and that any attack that does not center on the Jew is simply scratching at the scabs instead of treating the cause.

"Civilization has become decadent, with the Jews the epitome of that decadence.

"It is not merely a matter of financial manipulation until they control the world's gold, nor the matter of revolutionary machinations to the point where they direct the seething masses in trained revolt, nor a matter that they control all publicity, the press, the movies, the theater and the radio, to the extent that the minds of the people are befuddled and brought to the point where their liberty is merely the liberty to think they are allowed to think.

"But, it is a matter that they, the materialists

of the earth, as 'God's Chosen People' intend to set themselves up as our rulers and autocrats in the very near future.

"The world is at the crossroads of eternity. We cannot serve both God and Mammon. It is upon this issue that the Silver Legion is consecrated to militant action against specific malefactions."

In the statement of ownership, management, etc., required under the Act of 1912, *Liberation* on October 1, last, reported its publisher as Galahad Press, Inc., its editor as Pelley, its managing editor as Robert C. Summerville, and its business manager as Harry F. Sieber, all of Asheville. The stockholders in the Galahad Press were listed as:

Nina Bullock, Boston, Massachusetts; Mrs. N. T. Hall, 527 Davis Avenue, Elkins, West Virginia; H. C. Rocholl, East Orange, New Jersey; A. G. Decker, Towson, Maryland; Catherine Dice, 327 East 87th Street, New York; Marie M. Ogden, Newark, New Jersey; L. E. Terry, 131 East 66th Street, New York; Francis H. Koch, Los Angeles; Eleanor G. Swan, New York; Viola Armstrong, Washington; Lena K. and J. E. Norris, Everett, Washington; Foundation for Christian Economics, Asheville; M. Joyce Benner, New York; O. E. Robbins, Hotel Hamilton, Washington.

Pelley declares that the Silver Legion is firmly established in every one of the places indicated on the map reproduced from *Liberation*, where it was called "the new Battle Line-Up by territory of the Silver Shirt forces," with a statement that it was "meant for the adversary as well as for Silver Shirt adherents."

No official statement of membership has ever been made. There is reason to believe that the Silver Legion now numbers 75,000—concentrated largely on the Atlantic and Pacific coasts and the Southwest.

The literature, if not the actual formalities, of enlistment in the Silver Shirts is elaborate. Beyond the customary data as to name, age and place of birth the applicant is asked his "racial extraction" and the faith in which he was christened. He must give the name and address of his family physician, his profession, trade or vocation and his "previous politics." Then come these questions:

"Physical disabilities, if any . . .

"Military experience, if any . . .

"Average normal income from profession or trade $ . . .

"I have banked in the following bank . . .

"I own the following real estate at present . . ."

References for responsibility are required and at the bottom of the blank appears:

"IMPORTANT—Enclose Photograph or Snapshot of Yourself."

Acquisition of other organizations apparently is being sought by the Silver Shirts. On Page Five is reproduced a letter from Paul A. Toal, "Foreign Adjutant of the Legion," to Royal Scott Gulden, of New York, head of the "Order of '76," expressing his pleasure over "the good news that your organization has definitely consolidated its membership with the Silver Legion."

Mr. Gulden says that no such consolidation has taken place.

"Mr. Pelley proposed amalgamation when he was in New York recently," he said, "but he was not encouraged. When I got Toal's letter I referred it to Mr. Pelley, and he promised to 'call down' the writer."

The Order of '76, like the Silver Shirts, is listed as "friendly" to the Nazi cause. Mr. Gulden, who is a real estate man with offices at 139 East 57th Street, New York, calls it an "as yet unorganized organization; that is, it has no officers."

"It was started," he says, "when Hoover fired on the Bonus Army. I was one of a group who felt that something aggressive ought to be done about the state of the country.

"For two years now we have been carrying on espionage to get to the root of things. We have been spying on racketeers, criminals, subversive interests."

When he was asked what he meant by "subversive interests" he replied, "Radicals, of course."

In an interview with him in the New York *Herald Tribune* two weeks ago he was quoted

(Continued on page 26)

"Any day may witness events of profound importance," said the invitation shown here, which was sent to residents of Chicago, inviting them to hear Acting Consul General Wilhelm Tannenberg speak on "The New Germany."

The Consul General also spoke at the Nazi meeting shown in the photograph below, which was taken when the audience rose and gave the Nazi salute, led by attendants in uniform

You are invited to attend

THE GERMAN CONSUL DINNER PROGRAM

THURSDAY, MARCH 8, 7 P.M.
THE GERMAN RESTAURANT
424 S. WABASH AVE., 2ND FLOOR

THE HONORABLE WILHELM TANNENBERG

ACTING GERMAN CONSUL GENERAL IN CHICAGO

German army officer during the World War and since active in the Nazi movement will speak on

"THE NEW GERMANY"

Germany's interests and policies vitally affect the European balance of power and concern all those interested in international relations. Any day may witness developments of profound importance.

German Cuisine ~ German Music

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The purpose of these Consul dinners is, like that of the other work of this organization, to promote better international understanding by first hand acquaintance with other national and cultural groups.

Make reservations at once by writing or phoning the Director, Russell DeLong, 5706 Drexel Avenue, Dorchester 6116. $1.25 per plate.

AUSPICES OF WORLD FRIENDSHIP TOURS OF CHICAGO

Cincinnati Shows the Way

Grafters are swept out by good municipal housekeeping

By FRED C. KELLY

ON my hunt to find out what is going on in this once-thriving republic, I dropped into Cincinnati, "the solvent city," the city that has been improving itself without even spending all its income, and whose bonds are selling above par.

In the graft-ridden Cincinnati I remember, police and fire houses were in poor repair; the City Hall showed dirt of years; public baths and comfort stations were closed for lack of funds; city employes were appointed not to serve the city but for ability to round up votes for their party. In those days, every city employe turned in two per cent of his salary to party chiefs, and contracts were awarded according to how much of a split the contractor would give back.

Nothing like that exists today. Here is a city for all practical purposes entirely free from graft. Within eight years it has become the best-governed city in America. Everywhere one looks are evidences of good municipal housekeeping. Even the trucks that collect rubbish and garbage are clean.

Crime has been reduced. So have fires. The Cincinnati fire department made 150,000 inspections last year in an effort to *prevent* fires —three times as many such inspections as were made in Chicago, a city ten times the size. The city has improved its hospitals and maintains a university. It has carried on a vast amount of welfare and relief work. Yet its budget for 1934 is a million less than last year and city operating costs, then, were a million less than the year before. Taxpayers will find their tax bills this year about twelve per cent lower than last year. The tax rate of $21.44, for each $1,000 of property assessed, is said to be lower than in any city of comparable size in the country. Believing they get their money's worth, people pay their taxes.

Obviously, Cincinnati has had a rebirth. Its City Manager, Clarence A. Dykstra, was formerly a college professor. ("What do them impractical professors know about runnin' a city?") People are coming from all over the United States, in fact, from all over the world, to learn his secrets. He has none. He applies theories and knowledge he gained while teaching the science of government. He also applies what he learned while in more "practical" work.

The city is now governed by a council of nine men, elected at large.

All administrative work is vested in the City Manager who cannot be dismissed except for cause proved at public hearings. The new form of government first took office in June, 1926. It has now been endorsed by the voters at five consecutive elections.

Cincinnati's first City Manager was Colonel C. O. Sherrill, who had been administering public buildings and grounds in Washington, D. C. He did so good a job in Cincinnati that a big chain grocery concern hired him away at a larger salary to be its vice-president. Dykstra took the job four years ago.

Tall, able-bodied, large-featured, with thin gray hair, Dykstra might be taken for a former football coach. I found him less of a fashion-plate than Jimmy Walker, former mayor of New York; but while Jimmy is living insouciantly in the French Riviera, while the bonded debt of New York is mounting by millions Dykstra has been vigorously reducing the debt of Cincinnati.

"What do you think is the real explanation of all you have been able to achieve in giving good government here?" I asked Dykstra.

"It really isn't difficult to give good government," he said, "if you try to do just that. Too many city governments have been run on what you might call business principles—that is, as a means of gaining big rewards for those in control. If each employe is in his job as part of the political spoils system, he thinks to himself that, being there only a short time, he must get *his* while he can. Many a business enterprise has been wrecked because it is more profitable for the control group to play with the company's securities than to be of real service either to the company or to the public. Applying that principle, it might be highly profitable to be 'short' of a city's bonds in the market and then run the city's finances into such deplorable condition that the bonds would greatly drop in value. If a City Manager were unscrupulous enough he could do that very thing—sell the bonds when they were high-priced and buy them later after his mismanagement had forced them to a low price."

"HOW do you get city employes interested in working for public welfare instead of grabbing all they can for themselves?" I asked.

"In the first place, by giving them security in their jobs," replied Dykstra; "by having them removable only for cause. Then, we have a pension system under which a man retires after thirty-five years of service at half pay. By that time he probably has his family raised and a little home paid for and on half pay he can live as well as he ever did."

Cincinnati reduced crime, fires, budgets and taxes under City Manager Clarence A. Dykstra

"It is going to be more and more important to have people look on public service as a career and to feel secure in their jobs, with no need to cheat to obtain provision for old age," added Dykstra.

"Why more and more important?" I asked.

"Because," he replied, "with continuing improvement in technological processes, we are evidently going to have relatively fewer jobs than heretofore in productive enterprises. We shall have more people in non-productive work, to make living more comfortable, to make our cities more livable and more beautiful. It is important that such people have high standards of public service and are not thinking about serving a political boss to hold their jobs."

I HAD heard people in Cincinnati accuse Dykstra of being inclined toward municipal ownership of public utilities—too "socialistic." I therefore asked him what he thought of municipal ownership.

"So long as service is given at cost," he declared, "it is unimportant whether ownership is in the city or in a private corporation. Now here again I mean cost to include a reasonable interest on investment, and a city might well afford to pay this for being relieved from having to manage such an enterprise; but a city should not be paying interest on watered stock sold for money that never went back into the utility plant, but went into pockets of absentee owners. To make it clear what I mean, suppose an electric light and power plant is installed in a city, at a cost of $100,000, and stockholders are receiving six per cent on their investment. Suppose also that, due to great increase of population in the city, the same plant is able to earn not just six per cent but twenty per cent. I contend that, since the people themselves made this increased profit possible, they should have the benefit in lower rates. Service should still be sold at cost, including a reasonable return on capital. But what happens? Instead of giving lower rates, the company issues more stock and the increased earnings go to pay dividends on this new stock from which the population which made these profits possible get no benefit at all. In that event, if the company is not willing to provide service at cost, then the city is justified in establishing a plant of its own where it can get service at cost."

"Do you think the average city government gives a fair return for what it costs the taxpayers?"

"If the city is fairly well administered," said Dykstra, "it gives probably the best bargain the taxpayer receives from any dollar he spends. For example, in Cincinnati, a family taxed on $5,000 home—and families taxed on a property valuation of $5,000 or less, comprise about two-thirds of the population—pays only forty cents a month for police protection and another forty cents a month for fire protection. Even though the family never has occasion to call a policeman, or fireman, what better bargain could they find than the assurance of such protection, at forty cents a month. For the family I mention, collection of all garbage and rubbish costs only $1.75 a year, or less than fifteen cents a month. That's cheap enough, isn't it?"

Photos by Lewis W. Hine and Nesmith

Labor Prepares to Clean House

Unions, facing possible public supervision, are wrestling with their internal problems

By JOHN W. LOVE

THE second surge of labor activity since the Roosevelt administration came into power is aimed to exact recognition from strong industrial corporations. The labor movement has had recognition for a long time from railroad systems and important interests in mining and building, but only in wars or their equivalent is it possible for organized labor to get into modern manufacturing.

Last Summer's burst of labor activity was unplanned and sporadic, and receded as soon as the curves of production had passed their peak. This Spring's has more planning back of it, but labor's objectives are scarcely better defined than they were last year. Union recognition, union committees, shorter hours, higher wages, a say in rate-setting on piece work — these, in general, are the declared purposes of organization, and because wages are already highest in the particular industries which organized labor is most seeking to recruit, the steel and automobile trades, it is clear that the union shop is the primary aim. Once organized, the men in these industries could furnish the funds to organize their suppliers of parts and materials or their customers, and possibly the whole fabric of American industry.

The overturn caught the American labor movement unprepared. Without philosophy, without even its old spirit, the American Federation of Labor had settled down to wait out the depression and hope to hold its place in the remaining handicrafts. Today organized labor faces a thorough renovizing of its methods, and those leaders to whom change is unwelcome will be as unhappy as any individualist objector to the NRA. Some of them, no doubt, will be pensioned into commissions and the way opened to more flexible views.

The A. F. of L. senses all this, and President William Green has been handling the internal emergency shrewdly. He needs to carry the old Gompers group along with him and at the same time utilize the opportunity thrust upon the A. F. of L. by the unprecedented juncture of politico-economic affairs. While trying to organize such industries as automobiles along the newer lines of industrial unionism, he is seeking to turn the flank of the employers on the political front. Sooner or later, Mr. Green is likely to need the help of outside authority to keep order within the labor movement, and at that point government supervision of union labor starts, a supervision to which Mr. Green at the present moment would be as much opposed as anybody.

The internal politics of the American labor movement are thrust forward at the same time that industry copes with unprecedented adjustments required by the NRA. The forty-hour week is not yet digested. The Administration's effort to reduce further the length of the working week and increase the hourly wage, beginning with the motor industry, is itself capable of absorbing the attention of production and personnel managers for six months. The National Administration did not believe it could entrust to code authorities and other industrial representatives alone the task of raising the purchasing power of labor, and so it encourages the spread of organization which is able to bargain with employers upon even terms. At least that is the way it reasons.

The hope of Washington seems to be that unionization will take place rapidly enough to make labor costs as absolute an element in production costs as real estate taxes are. The readiest instrument at hand is the American Federation of Labor. If organized labor can see that all workers, unskilled and skilled, are given an approximate effectiveness of claim, then the belief is that purchasing power will be underwritten.

On picking up the A. F. of L., however, the Administration discovers that is was designed to deal with the setup of industry as it was in the early 1900s, and that only in the building trades, coal mining, the textile and needle trades, and a few others like printing, does industry still operate in such a way that it could deal effectively with labor organized in these forms.

THIS is no surprise to the labor movement, where the argument has been on for fifty years without reaching a conclusion. Because theory always trips up organized labor, its leadership is ignoring it this time and launching out in pragmatic policies. Therein it is really following the policy it always has followed, the policy of no policy. It is achieving unity of front in the effort to organize both the motor and steel industries, a temporary unity, according to official A. F. of L., but probably a permanent unity before it finishes.

A word of description is necessary here. The American Federation of Labor is merely an alliance for unions for political and general purposes and not for purposes of dealing with employers and only in exceptional cases for organizing purposes. The unions are self-governing in the directions in which they look for

members, although if they infringe upon one another's fields of organizing effort they may be expelled from the federation. These directions of organizing effort are the jurisdictions of the separate unions. The jurisdiction is usually a handicraft and its subdivisions and related activities. They are the product both of evolution of industry and of the trade union itself.

Hence most of the unions in the A. F. of L. are composed of men in the same craft or what once was a craft—electricians with electricians, machinists with machinists, moulders with moulders—horizontally through the shops. The electrical workers in the building trades control the union to which electrical workers in the railroad shops, public utilities and refrigerator plants belong. The machinists in the railroad shops are enrolled with the machinists in the automobile industry, unless it happens that these machinists belong to one of the new "federal" unions the A. F. of L. is forming there. Members of these unions are expected to be craft conscious — aware that they are electricians or machinists more than they are aware that they work for the steel industry or the automobile industry, and that their fortunes are the same as those of fellow workers in those industries. Where the members of these craft unions are employed in manufacturing plants, they are usually minorities in the working forces.

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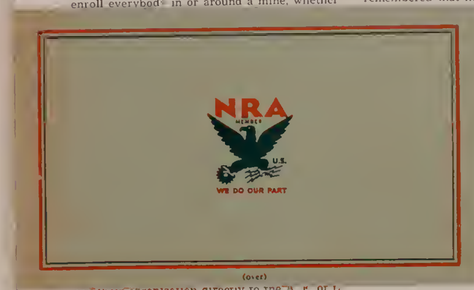

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Indeed, some of the officers of the new "federal" unions of the A. F. of L. in the automobile industry are depending upon Section VII A and the Wagner bill to protect them in amalgamating these federal unions into a new automobile workers' union and maintaining it against the declared intention of the A. F. of L. to see that the jurisdictional authority of the older internationals is protected.

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ing their organization directly to the A. F. of L.

In the days before the NRA was turning over to the Labor Board the burden of labor relations in industry this irreconcilable contest between the vertical and horizontal forms of unionism was bedevilling the NRA. The resignation of Deputy Administrator Dudley Cates last September came about because he could not see how industry could be organized in trade associations and expect to deal efficiently with labor organized into craft unions. This dual form of organization in industry would lead, he thought, to impossible complications. More recently, General Johnson suggested to the assembled code authorities that alliances with the existing craft unions and their recognition might prove a means of escaping something worse.

The struggle between the horizontals and the verticals is mainly to blame for the Recovery Administration's confusing of the open and closed shop issue. In their earlier attempts to define or not to define Section VII A of NIRA, General Johnson and Donald Richberg could not frame a formula which could firmly protect a minority craft union possessing a closed shop agreement and at the same time rule out a company union or even a shop union with a

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Internationl

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Labor Achieves New Unity

"Labor is really following the policy it has always followed, the policy of no policy. It is achieving unity of front in the effort to organize both the motor and steel industries, a temporary unity, according to officials, but probably a permanent unity before it finishes"

• • •

Photos by Lewis W. Hine and Nesmith

Labor Prepares to Clean House

Unions, facing possibl are wrestling with the

By JOHN

THE second surge of labor activity since the Roosevelt administration came into power is aimed to exact recognition from strong industrial corporations. The labor movement has had recognition for a long time from railroad systems and important interests in mining and building, but only in wars or their equivalent is it possible for organized labor to get into modern manufacturing.

Last Summer's burst of labor activity was unplanned and sporadic, and receded as soon as the curves of production had passed their peak. This Spring's has more planning back of it, but labor's objectives are scarcely better defined than they were last year. Union recognition, union committees, shorter hours, higher wages, a say in rate-setting on piece work — these, in general, are the declared purposes of organization, and because wages are already highest in the particular industries which organized labor is most seeking to recruit, the steel and automobile trades, it is clear that the union shop is the primary aim. Once organized, the men in these industries could furnish the funds to organize their suppliers of parts and materials or their customers, and possibly the whole fabric of American industry.

The overturn caught the American labor movement unprepared. Without philosophy, without even its old spirit, the American Federation of Labor had settled down to wait out the depression and hope to hold its place in the remaining handicrafts. Today organized labor faces a thorough renovizing of its methods, and those leaders to whom change is unwelcome will be as unhappy as any individualist objector to the NRA. Some of them, no doubt, will be pensioned into commissions and the way opened to more flexible views.

The A. F. of L. senses
William Green has been
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organize such industries as automobiles along the newer lines of industrial unionism, he is seeking to turn the flank of the employers on the political front. Sooner or later, Mr. Green is likely to need the help of outside authority to keep order within the labor movement, and at that point government supervision of union labor starts, a supervision to which Mr. Green at the present moment would be as much opposed as anybody.

The internal politics of the American labor movement are thrust forward at the same time that industry copes with unprecedented adjustments required by the NRA. The forty-hour week is not yet digested. The Administration's effort to reduce further the length of the working week and increase the hourly wage, beginning with the motor industry, is itself capable of absorbing the attention of production and personnel managers for six months. The National Administration did not believe it could entrust to code authorities and other industrial representatives alone the task of raising the purchasing power of labor, and so it encourages the spread of organization which is able to bargain with employers upon even terms. At least that is the way it reasons.

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AT the same time, the Federation has several unions which are vertical in structure and cut, or try to cut, across the craft jurisdictions of the other unions. The United Mine Workers enroll everybody in or around a mine, whether he is miner or machinist or electrical worker. The brewery workers' union long sought to do the same thing with the employes of breweries, but the A. F. of L. has been stripping it of stationary engineers, truck drivers and such people. The unions in the clothing industry are practically vertical, because here is one place where the craft is still supreme.

Were the craft unions to seek to extend themselves into modern industrial plants they would cross each others' trails in a most bewildering way. The painters' union is trying to organize the paint factories but it could not similarly organize the makers of glass, which its members handle, without absorbing another A. F. of L. union. The electrical workers have a baffling problem with the glass workers in the neon sign business. The sheet metal workers and carpenters avoid a similar conflict over metal trim by considering the automobile body shops as a mass production industry and leaving their organization directly to the A. F. of L.

In the days before the NRA was turning over to the Labor Board the burden of labor relations in industry this irreconcilable contest between the vertical and horizontal forms of unionism was bedevilling the NRA. The resignation of Deputy Administrator Dudley Cates last September came about because he could not see how industry could be organized in trade associations and expect to deal efficiently with labor organized into craft unions. This dual form of organization in industry would lead, he thought, to impossible complications. More recently, General Johnson suggested to the assembled code authorities that alliances with the existing craft unions and their recognition might prove a means of escaping something worse.

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Officially, William Green must not countenance anything of this kind, but it should be remembered that he has differed with John P. Frey for twenty years or more over the problem of these small federal unions in the A. F. of L., and that he sided with the metal trades in their effort in 1920, under the leadership of William H. Johnston, to introduce new methods into the A. F. of L. It is unlikely that he would consent to dismembering a great new union in Flint and Detroit.

Realizing that craft unions alone could not offer a means of bargaining adequately with employers in modern industries, a number of the crafts now talk of an indefinite extension of the "B. & O. plan" into industry. This is the arrangement whereby members of six of the standard A. F. of L. craft organizations elect representatives to committees in each railroad shop, and these committees deal with the railroad on matters of wages, hours and work understandings. The plan has been successfully employed on the Baltimore and Ohio, the Chesapeake and Ohio, the Canadian National and a number of other roads. Sir Harry Thornton of the Canadian National has said "We would not go back to the old system if we could. I see no reason why such cooperation should not be applied equally to other branches of the railroad industry—or to industry in general, for that matter."

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(CONTINUED ON PAGE 32)

International

William Green (right), President of the American Federation of Labor, cannot officially countenance a quasi-public organization of labor unions, but his statements suggest it would not be distasteful

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The Tin Can Standard

By MALCOLM ROSS

One for Fido

DOWN in Washington, they are deciding whether or not to tell you exactly what grade of edibles are hiding inside the tin cans on your grocer's shelf. In present practice, your tomatoes and peas are eulogized by their proud packers as extra fancy, stupendous, or colossal, with an occasional picture of a pretty girl thrown in to clinch their claims to excellence. It is now proposed that the canner be required to supplement his imagination with a prosaic statement of what's inside.

Tinned foods cost Americans $600,000,000 a year. If poorly-instructed buyers misspend one per cent of this, $6,000,000 worth of badly-needed purchasing power is wasted. But is it one per cent—or five?

You and your dog are both involved in this drama. The question of accurately labeling human foods arose last month at the NRA hearing on a code of fair competition for the Canning Industry. A week later, the manner of describing Fido's dinner was hotly contested at the Dog Food Industry hearing.

These were no academic discussions. Each crackled with the intensity of people who know that they are engaged in a fight for big stakes. Many of the canners (for humans) are afraid that compulsory grading will destroy the value of brand names built up by expensive advertising. Proponents of standards said that their fears are groundless, and based more on a desire not to be bothered.

THE outlook for standards was brighter at the canine division of this show. There some of the biggest dog-food men in the nation solemnly pledged their faith in the beneficent effects of so labeling their product that no hound of low degree may thereby be deceived.

The food-preserving industry started in your grandmother's kitchen, whence it was taken when machines learned how to make tin cans by millions and research chemists discovered how to preserve food safely. Nobody used to worry about quality labeling, since grandma's peach jam was above suspicion and her hand-written label was identification enough. But the mass production packer must rely for mass sales on glamorous description of what is behind the concealing wall of tin, with the result that he has taken a high dive into Roget's Thesaurus and come up with "Miracle Peaches," "Old Honesty Applesauce," "Dew-Kist Beans," and "Maid-Rite Canned Oysters."

The quality-grading proponents at the canning hearing did not suggest that the packers tone down their grandiloquent or whimsical labels; but they did argue that, in *addition* the grades A or B or C be marked on each can, so that the buyer may know whether the food is of a quality good enough to justify the price.

It would work out this way. The oyster packer, for example, would have to meet certain specifications before he could label his can Grade A. Within the broad band of tolerance *above* the Grade B dividing line, he could compete with rivals on the traditional grounds of price and goodness. He could call his oyster "The Pride of Piccadilly" and grow as lyric as he wants about its delectability. But—and here is the point—he could not, as at present, pack a Grade B oyster and sell it at a Grade A price, merely by force of seductive language on four-color labels.

You cannot peek inside a tin can before you buy it. Your one certainty is that a can marked apricots will contain apricots and not prunes. From there on, your purchase is a matter of variables, including sugar content, color, ripeness, size, slicing, flavor and firmness. Although these variables can, with a little trouble, be made the basis of exact grading, the canners cling to such adjectives as "superfine." Granted that most products may justify the labels' claims, their very inexactness leaves the way wide open for unscrupulous canners to sell poor packs at fancy prices. Evidence was cited at the hearing that this is being done—to the harm of the consumer and the legitimate canner alike.

The dog-food hearing offered light on the standards question because the issue there was more sharply drawn. It is a young industry, flushed with first success. If, ten years ago, you had sold gilt-edged stocks to back canned dog-food, you would be richer today. The post-War pet got what the family left.

Last year the owners of pups, tabbies, fox farms and menageries paid $60,000,000 to 105 pet-fodder manufacturers for 500 million cans of food.

In a decade, Fido acquired the tin can habit. Most dog food is horse meat. There is much beef, reindeer meat and salmon packed. Last year the industry used 3,000,000 pounds of frozen whale meat. Leading canners, trying to improve their products, are discouraged by the competition of fly-by-night firms which tin and sell rank refuse, offensive stuff of almost no nutritive value.

The quality spread between this stuff and the decent brands explains why the honest producers are keen for a standards clause in their code, as a weapon to prevent their market from being invaded by inferior foods masquerading under persuasive labels.

Laws exist to prevent the canned goods from falling below minimum requirements. Moreover, the canners have spent millions on research to make tinned foods safe and palatable, and they have done a good job.

The challenge directed at them last month concerned only their reluctance to tell consumers fairly and squarely what they are getting for their money.

Karl Hauck, representing the Consumers Advisory Board, recommended that the Canning Code Authority appoint a committee to work in collaboration with the Department of Agriculture to evolve a grading system. This the NRA Administrator would have to approve.

Throughout a long afternoon consumer group representatives took the stand in support of Mr. Hauck's suggestion. The American Federation of Labor, the Bureau of Home Economics, the General Federation of Women's Clubs, the National League of Women Voters, the National Council of Women, Consumers' Research, the American Association of University Women—these are the weighty opinions which besought the canners to adopt grading.

TWO canners, William P. Hapgood and F. M. Shook, think the trade would be wise to do so. Said the former:

"The consumer does not have a proper opportunity of selecting the type of canned food she wishes to buy. . . . There is no correlation between the consumer price and the quality she gets."

Dr. Wells A. Sherman, of the Bureau of Agricultural Economics, suggested that the analysis of fertilizer and fodder is stamped on the bag, and that . . . "It does seem just a little strange that we can do this for our soil and for our animals, but we hesitate to undertake it when we come to dealing with the canned goods which must be purchased, sight unseen, for human consumption."

Miss Lena M. Phillips, president of the National Council of Women, added a touch of gayety to the hearing.

"You are asking us," she said, "to do something which you yourself, I believe, would not do. If the producer drove up to your cannery and said: 'Well, I have got my crop here; I want you to take it.' And you would say: 'All right, I will come out and look at it.' He would say: 'Oh no you don't. I have got a fine label on it that says SUNSET GLOW, and you have got to take it as it is. It is all right. It has got all sorts of things on the label, except what the property is like.' You would laugh at him. Now the consumer can laugh at you, and the way she does her laughing is by buying fresh fruits and vegetables."

The hearing broke up with no public indication of how the canners felt about these importunate consumer pleas. The entire issue has gone into the post-hearing conference, where it now hangs trembling in the balance between what the industry wants and what changes it will accept at NRA official suggestion.

But Fido seems likely to get a break.

Photograph for TODAY *by* Norman Tourey

One for You

THE FIRST LADY DEFINES HER RÔLE IN PUBLIC AFFAIRS

"Not Strictly Political"

By EMMA BUGBEE

SO blithe, so varied, so picturesque have been the activities of Mrs. Franklin D. Roosevelt in the year since she went to the White House that sometimes her serious purposes have been obscured. Her little blue roadster, her bulging brief-case and knitting needles became part of the national scene. Her perpetual motion became part of the national worry.

Gradually, however, it became apparent that the President's wife took pleasure in this extraordinary physical and mental activity, being very like the President himself in this respect, and that they were both performing in the White House exactly as they had done for many years in New York State without either nervous breakdown or political disaster. So the folks back home ceased to worry about her airplane flights and paid a little more attention to the reasons for her travels. They thought less about her wardrobe and more of the fact that when she sewed an NRA label in a winter coat or spring hat she marked the culmination of ten years of consistent effort on her part to wipe out sweatshop labor.

In all activities she is guided by the simple rule which she laid down for herself before she went to Washington:

"One thing I won't do is meddle in politics. But I suspect there are many things not strictly political which can be done to help women, and if you help women you help the men, too."

What, then, is her conception of the limitations of her rôle? Where does she draw the line between what is strictly political territory, and what is not?

"'Strictly political,'" she says, "is anything that has to do with party politics, or with the policies of the Administration which are of a controversial nature. I would not give an opinion, for example, on the gold policy, but I regard it as entirely legitimate to help carry out any policy already established on such lines as social service or education, which are not in themselves political, and which I feel I know something about."

IN addition to her speeches she has found another instrument. The White House is the best forum in the country. Mrs. Roosevelt used it frankly to attract attention to the causes in which she believes. For this purpose she established her press conference, that breezy interlude when Washington's women reporters interrogate her.

Mrs. Roosevelt accepts these questionnaires good-naturedly. She accepts the fact that the American people are vastly interested in the personal doings in the White House family, and since the people by their votes placed them there, she admits they have a right to know —within reason—what goes on.

From her point of view, however, the importance of the press conferences is the opportunity they afford for missionary work in public welfare or relief projects. Only the "strictly political" topics are barred. Within a week after she went to the White House she had been out inspecting Washington alleys and promised her support to slum-clearance projects, though noting that she could take no part for or against any bill, once it reached the point of legislative controversy. After that followed rapidly her efforts in behalf of economy budgets —with an eleven-cent meal in the White House to set the style; her pleas that educational standards be not sacrificed though school budgets be cut; that the health of children be preserved however meagerly adults were fed; that women when buying their Easter millinery make sure they were not patronizing firms which grew rich on sweatshop labor; that more attention be paid to opportunities for unemployed women; that in every personal way, by travel and entertainment of foreign visitors and instruction of children, every woman use her best efforts to create international goodwill, the while she studied and supported government efforts along all such lines.

She did her best for the conservation camps, the NRA, the "Buy Now" campaign and the consumers' councils. She spoke for equal pay for women under the NRA codes and against the dismissal of married women. She urged child labor restrictions. In the field of employment for women sufferers from the depression, Mrs. Roosevelt has been particularly active.

Camp Tera at Bear Mountain Park in New York State was started, and city women went up to the mountains. Mrs. Roosevelt, visiting them in June, found only a handful, rattling around in a big plant capable of sheltering a hundred.

Deserting her lunch, she perched on the rustic rail to chat with the pioneers, asking why, in their opinion, others had not availed themselves of the opportunity. Red tape. Some telephone conversations with Washington. The restrictions were relaxed

The camp was a success, but it was a charity, not a work project. The women were not cutting timber or even picking blueberries for wages. When the vacation was over, the President's wife summoned to the White House the brains trust of American womanhood to pool their experiences in a new effort to find jobs for unemployed stenographers, school teachers, nurses and factory hands.

Throughout the states women executives were assigned to devise and direct the employment of women under the Civil Works Administration. By the end of December, 100,000 were on the Federal payroll.

In Mrs. Roosevelt's activities along these benevolent lines she is merely following a way of living to which she dedicated herself years ago.

As a young girl at Madame Souvestre's School in London she was permanently influenced toward an interest in social welfare by the progressive headmistress.

International

The First Lady arrives at Puerto Rico to visit the huts of needle-workers, in her campaign in behalf of under-paid workers

THEN came early marriage and the preoccupations of a large family, but the World War inevitably drew her into relief activities along with millions of other American women. While her husband, as Assistant Secretary of the Navy, was directing the affairs of the Atlantic fleet, she was in the railroad yards serving coffee and sandwiches to entraining soldiers. When the Assistant Secretary of the Navy went to France at the close of the war and made a tour of the battlefront, his wife went with him —just as she visited the CCC camps last summer or the miners' homes in West Virginia.

Franklin D. Roosevelt's candidacy for Vice-President in 1920, coupled with the nationwide enfranchisement of women, renewed Mrs. Roosevelt's interest in political life, but it was not until after her husband's illness that she reached out for direct political activity of her own, and this was frankly an effort to learn the game so that she could help keep him informed of things outside his study.

In 1924 she drafted women's planks for the Democratic National Convention in Madison Square Garden, asking for an eight-hour day and equal pay for women in industry, law enforcement, specific legislation for women's rights, and a Federal department of education.

In 1928 she was director of women's activities for Alfred E. Smith's campaign for President.

For years her quick sympathies went out to cripples, to widows with children to support, to victims of industrial accidents, and to ambitious boys whose college careers were threatened by poverty. Now that she is in the White House, they still pour out, and sometimes they make front-page news (though seldom with her consent). But to her friends these things are not news at all.

"She's always been like that," they say.

In one respect, however, a great change has come over Eleanor Roosevelt since she reached the White House a year ago. She had always felt an impulse to help those less fortunate than herself; she had long believed that government could, if it would, improve conditions of the masses. She has, within the year, found herself in the boiler room of a government which was trying to do that very thing. She gets a chance to shovel in a little coal herself, now and then. It may not be strictly political coal, but it burns, and with a warm glow.

NEW PATHS FOR OLD

Four Human Interest Straws That Should Point You Toward a Better Appreciation of the Variegated Wind Currents of the New Deal

By SHERWOOD ANDERSON

I

I PICKED up the woman on a Southern road. She might have been thirty-five. She had formerly been a cotton millhand and before that she was the daughter of a tenant farmer. I speak of her because she illustrates something. It is too easy to put people into nice little pigeon holes. There you are. This one was a Southern poor white. You know how she would look . . . rather hard-bitten, born tired, undernourished in childhood. There are enough of that sort.

This one didn't fit in. That's nice. It's nice that there are so many people who do not fit into the little pigeon holes our minds make for them. She didn't ask me for a ride. I saw her walking sturdily along in the road ahead and ran slowly. She looked up at me. "All right. Come on. Hop in."

She was one of the restless Americans, had come, with her father and mother, brothers and sisters, off some tenant farm to a cotton mill town. She was in the mill and at work at thirteen. She got married at sixteen.

She said she got tired of her husband. "He was always whining."

There was a strike in the mill and he didn't go out with the others. He was afraid to go out and afraid not to. He sat in the house and cried. She said it made her ashamed. On a sudden impulse, one day, she walked out of the house, in some Southern mill village, and took to the road. She said . . . "There are a good many of us women on the road now."

She looked at me with shrewd eyes, sizing me up.

"You ain't a gambler, are you?" she asked, I thought hopefully.

"No," I told her, "I'm a traveling man."

"Oh," she said.

SHE was shabbily dressed, but looked clean. We went on with our talk. "It's a rough, dirty business for a woman, isn't it, this being on the road?"

She smiled. "Do I look dirty?" Just before I picked her up, a mile back along the road, at the edge of a town, she said, she had stopped at a house and asked, "Can I come in and clean up?" There wasn't any woman in the house, only a man. "Did he try to get gay?"

"No," she said.

"Would you have left your husband if there had been children?" I asked. I took it for granted there had been none.

"No." she said.

I was curious to find out how she felt. There has been, during this depression, a growing number of these women wanderers. The wanderers, male and female, are almost a new race here in America.

"So you were a cotton mill hand?"

"Yes, I was. I was a weaver."

There had come the strike. She went out, but her husband didn't. He got up, long before daylight, every morning and crept away unseen to the mill. She said she stayed in the house with him, for six weeks, while the strike was on, and that they didn't speak to each other. Then the strike was settled and she lit out, but first, just before the strike was settled . . . she went to strike headquarters about her man. They caught her husband, creeping into the mill before daylight, and beat him up.

She told me she had wandered three years.

"Do you think you will ever go back to work, settle down, perhaps get you a new man? You know what I mean—be respectable."

"No," she said. "I don't want to now. To hell with it."

I had picked her up at the edge of one South Carolina town and let her down in another. "This is as far as I am going today," I said. She went off, down a side street.

It is odd to think of these women, pushed into a queer new kind of life by the years of depression. She was something different, formerly a cotton mill hand, a wife. She had become an adventuress, a pure gypsy type. She had a kind of air . . . no beauty, but something attractive. She was a kind of rural realist, a road-hitting, hard-up Mae West, as Mae presents herself on the screen.

"On a sudden impulse, one day, she walked out of the house, in some Southern mill village, and took to the road"

II

ON the back streets of a Southern industrial town. I was waiting to go to a meeting of the unemployed, when a man pan-handled me, and I gave him a dime. We walked a little way, and began to talk. We went into a little restaurant in a side street. We drank beer and talked. What struck me about him is the same thing that I have picked up everywhere. There is this curious optimism in American men. This one was an electrician. He said he hadn't got back to work yet, but was sure that he would soon.

We spoke of what he had been through. He is married to the daughter of a small farmer who lives in Ohio, and when the depression hit the country his wife's father asked her to come on home, with their one child. He said . . . "I didn't want to go and be a load on her old man.

"I'd never been a tramp but I became one." He was an intelligent man. "You get a new picture of life," he said.

He was curious about me. "Why are you being friendly? What are you up to? You aren't a dick, are you?"

I told him I was a writer. "Oh," he said. "You are writing people up." He said he had also always wanted to be a writer.

We began talking again of his experiences. He had been to the Pacific coast . . . "I tried to get in as an electrician in Hollywood, but didn't make it . . . to Texas cities . . . slept in jails . . ."

"How does it feel?" I asked.

He told me of the curious feeling that comes to a man who has gone along for years, feeling reasonably secure. Suddenly the ground is jerked out from under his feet.

"You may stumble onto a racket." He said he did. He said he went up to a nice house, on a nice street. There was a fine-looking oldish woman who came to the door.

"I asked her, 'Could you, would you mind, giving me a few sheets of paper, an envelope and a stamp? I've been out of work for a long time and I've been everywhere looking for work. I'd like to write a letter to my wife.' "

He said the woman took him in, gave him a meal, gave him paper, ink, an envelope and a stamp.

"She gave me fifty cents too. It was a good racket."

"But did you write to your wife?"

"Sure I did. I been writing three or four times a day ever since.

"Now I just do a little pan-handling to keep in form, but mostly just to talk to someone as we're talking. It got me woozy. I don't want to work any racket. I'm an electrician. I want to work at my job."

I had an odd experience with this man. When I was leaving him I thought . . . "I only gave him ten cents." I took a dollar from my pocket and held it in my hand. This was outside the little restaurant in which we had been sitting over our beer. He looked at me and at the dollar bill and grinned. "I guess writing's a racket too, eh?" he said. "Never mind, I guess maybe we'll both get back to work at our real job pretty soon," he said.

III

NEXT, an old man, a healthy looking one. He got into the car with me. He was a farmer who had lost his job. He might have been sixty-five.

An apology. They nearly all begin that way. "I've failed in this American scheme. It's my own fault." That's the tone.

"I failed. I failed. It's my own fault." You get it on all sides. There may be stupidity in it, but there is also a kind of grand humility. It gives you occasionally at night a dream of what we Americans, properly led, by men who can be at least partially disinterested, may some day do.

The job.

"Where's the job? Lead me to it."

Surely President Roosevelt is right in the insistence on men having work, through the CWA, or through other such organizations. It may cost terrifically in dollars, but the other costs, the breaking down of the moral fiber of the American man, through being out of a job, losing that sense of being some part of the moving world of activity, so essential to an American man's sense of his manhood . . . the loss of this essential something in the jobless can never be measured in dollars.

To return to my farmer man I picked up. This one wasn't quite broke. He was neatly dressed, in a worn grey suit, such a suit as a fairly well-to-do farmer would have for his Sunday best. The suit would have been bought years before. It had got thin, was mended here and there. He had the big-knuckled hands of the man who has worked all of his life out of doors in the fields.

The talk between us began slowly. I tried being frank with him. "I'm a writer, scouting about. I try to pick up little stories of people and write them down for a magazine. I want to find out how the depression has affected people, what kind of outlook they feel they have for the future." The idea interested him as it does most people. It in a way touched his own life.

HE was just a farmer without much education, he said. He had a daughter. There had been two children, a son and a daughter, but he lost his son in the World War. His farm, 120 acres, was in southern Indiana. He said that he and his wife had led pretty hard lives, trying to educate both the children, send them off to college. Both children had taken to book learning. His son left college to go to the war.

All of this came out slowly. The man was with me most of two days. In the town where we stayed over night I urged him to come to my hotel. "Come on. Be my guest. You know, just this once."

"No," he said firmly. He thought he could find a bed, maybe for a quarter. "You ought to have seen the bed me and my wife slept on when we were first married. We went into debt for our farm. It was before we got the farm paid for and built the new house and fixed it up."

He had lost his farm by going in debt. It was during the World War, when prices for farm products were high and land high. His son wasn't going to be a farmer. He wanted to be a doctor, and his daughter also was the book-learning sort. "I don't know why they turned out to be that way, but they did and me and my wife were proud of them." After the war and the death of the son, his daughter married a man she met in school. He was a young, poorly-paid professor of languages in a small Southern college, and my farmer man had wanted to set them up in a house of their own, all paid for. "I liked her man all right, but knew he'd never make any money. I didn't put a plaster on their house. I put it on my land and went in debt for some more land."

So that was his story. They had closed in on him and his wife got sick and died. He was going South to live with his daughter and her man. "If I had been younger, the bank might have let me stay on my land, but they got a younger man who wanted it."

His face worked. It isn't nice to see such a man shot to pieces. I began talking quickly of other things. He had never seen his daughter's place. He wondered if there was much ground.

The place was right in a town. If there was enough ground to have a good garden, it might be all right. When he was on his own place, he never fooled with the garden. His wife did that, but he thought he could put his hand to it. He did hope it was good ground.

"If a man feels he is being useful, making something grow, to feed people." He knew that in some southern Indiana towns, the bigger ones, you couldn't keep a cow or a pig. The hardest part about leaving his own place was leaving his team. "I always had the best team for miles around," he said.

IV

I DID not find the next two men on the road. The archeologists, Doctor Coburn and Doctor Jennings, were not wanderers. They were digging out a mound-builders' mound, on the shore of a little river in a valley between high mountains.

I thought they had found something significant just now. What interested me most was what they found above, not below, the ground.

(CONTINUED ON PAGE 32)

Drawn for TODAY by Ben Hall

"No, sir; but I bet you I gits something tomorrow." He was like the rest of the men on the job, alive with interest

Modernizing America

THE Administration is coming to grips with the fact that the greatest potential stimulation for the capital goods industries lies in new housing. Why the United States, with its plenitude of materials, its tremendous progress in industrial technique, and its lavishness in the construction of huge hotels, high-class apartment houses and enormous office buildings, has lagged so far behind in the construction of modern housing at low and medium prices is a subject on which future social historians can dilate. Faulty distribution of the national income, speculation in real estate, the tax system, legal obstacles of various kinds, the lack of an adequate home-financing system, politics, and sheer social stupidity, are among the obvious miscellaneous factors which have stood in the way of better housing. It is not an easy task to cut through all these barriers, but several months of careful consideration have produced a program which the Administration believes to be capable of doing the job.

The program falls into three parts. First, home renovation and modernization; second, the thawing out of the mortgage market to facilitate the construction of new individual homes; and third, the provision of better housing for those groups at the bottom of the economic pyramid which would not benefit by either of the first two parts of the program.

The first part of the program offers a huge field for activity this year. Throughout the depression there has been an enormous deferment of maintenance on homes that are essentially sound and worth preserving. In addition, there undoubtedly is a vast amount of improving to be done in houses of this type—from enlarging porches to wiring for electricity and the installation of modern plumbing. There are, however, two gulfs between this potential demand and the demand of the construction industry for work. One of these gulfs is the lack of cheap, easily-obtained credit. The other is the exorbitant cost of labor and materials.

THE Administration program proposes to bridge these gulfs. The producers of building materials, the railroads which haul the materials, the dealers which handle the materials, the labor which uses the materials, and the financial institutions which can handle credits for home renovation, all will be asked to accept substantial reductions in their remuneration in order to induce the active demand which all of them desire. The government, by creating a national credit insurance corporation to assume a small portion of the risk and by organizing committees of architects and engineers to supervise the work, will endeavor to reassure the institutions which do the financing in the first instance, and coordinate and push the whole project. The plan is to provide credits of from one to five years in duration in amounts ranging from about $200 to $2,000, for which no collateral is to be given.

In the large sense, these loans will be consumer credits, although they will be used for the purchase of durable instead of consumers' goods. If all the groups concerned can be brought together to offer "bargain counter" rates on home renovation and modernization for a period of six months, undoubtedly a large number of home owners will enter the market.

The second phase of the program is designed to facilitate the building of new homes by those groups which have a little money of their own to put into such an enterprise. It will require the building of a comprehensive mortgage-financing mechanism such as this country has not had before, with a Federal mortgage insurance or mortgage discount corporation at the top. The essentials are to obliterate short-term mortgages of the type now granted by banks and second and third mortgages, and to force down interest rates and miscellaneous charges. An ideal would be a first mortgage for eighty per cent of the cost of the property, bearing interest of five per cent or less, and to be amortized in from twenty to twenty-five years. Experts in the Administration believe that this ideal can be quickly attained and that it would stimulate home construction for a great many years to come.

Drawn for TODAY by Carl Rose

The third part of the program is intended for those groups for which individual housing is unsuitable, or which cannot have individual housing unless it is provided for them by public authorities. In this part would fall, on the one hand, slum-clearance and low-cost housing in the cities, and, on the other hand, subsistence homesteads. The Administration is already working on both flanks of this problem. This is the biggest and hardest part of the whole undertaking; and it will not reach its objective until the city slums are exterminated, hundreds of thousands of shacks in the mining and smelting centers are razed, and millions of huts and flimsy boxes in the rural districts, especially in the South, have been replaced by substantial structures containing modern plumbing and electrical appliances.

It has been estimated that this country could use $20,000,000,000 worth of improved housing. One of the ghastly jokes of the post-war decade was that so much of the American surplus was shipped abroad to wipe out slums in cities in Germany and other countries. It is probably no exaggeration to say that without the aid, in some cases direct and in others indirect, of the loans which our bankers so generously managed, the finest low- and medium-cost city housing in Central Europe could not have been built. Meanwhile the American home-builder has experienced the sorriest kind of treatment, and frequently has been victimized, while the American slum-dweller has been the plaything of real estate speculation, legal red-tape, municipal political machines, and the meager vision of American financial leadership.

Reducing Real Estate Interest Rates

A SHARP cry of agony goes up from the most conservative citadels of finance whenever it is suggested that real estate mortgages, whether on building sites, or on railroad property, should be amortized. The idea that debt of this kind should be eternal has been ingrained into some of our bankers. Some savings banks officers recently explained to a member of the Administration that it was impracticable to amortize some of the mortgages they held because the property was yielding barely enough to pay the interest on the mortgages and couldn't stand the amortization charges. It did not seem to occur to these gentlemen that their trouble was that they had some bad loans —due to the depression or to their own faulty judgment.

The Farm Credit Administration and the Home Owners Loan Corporation can testify to the extraordinary difficulty of inducing mortgage holders to reduce their interest rates so long as they think they have the slightest chance of collecting on the basis of the original interest rate. The plain fact that interest rates have got to come down is naturally repugnant to bankers, insurance companies and other lending institutions. Day by day, it has become clearer that the government needs quite a few implements to deal with this situation.

Thrilling Scenes from the Passing Political Show

The famous dream scene featuring Doctor Wirt (the quaking gentleman in the tumbril) being condemned to the guillotine by a quartet of Stalins, impersonated by Marvin McIntyre, Carter Glass, Buzzie Dall and Scamper, the White House bunny

The heartrending desertion-scene—The Republican Party (center) forsakes his faithful love of many years, Miss Economy (kneeling) for the tinsel blandishments of the siren (the Veterans' Lobby)

Two Houses Divided

THE overriding of the President's veto of the Independent Offices appropriation bill startled most of the important members of the Administration as much as it startled the financial centers of the country.

The inability of the Democratic leadership in the House to hold more than seventy Democratic Representatives behind the President was a convincing demonstration of its weakness. (It may be recalled that in the grave crisis of March, 1933, Representative Byrns, the Democratic leader, refused to be the sponsor of the Economy Act and that ninety-two Democrats deserted the President at a moment when it was no exaggeration to say that the whole future of the Administration hung in the balance.)

Democratic leadership in the Senate, which has shown greater strength in the face of greater difficulties, held a few less than half the Democratic Senators on the issue of sustaining the President's veto. Although something must be put down to less than forceful leadership, especially in the House, politicians of the Administration have been compelled to search more deeply for the cause of the reversal.

Apart from the activity of the veterans' lobby, which has a majority of Congressmen as badly intimidated as the Anti-Saloon League once had them—there have been several changes in the general situation in the year following the passage of the Economy Act:

First, the fear of disaster to the government and to the nation has passed—altogether too easily, for the country is not out of the depression yet.

Second, the Administration program, as it was unfolded after the passage of the Economy Act, has been moderately inflationary. The Economy Act was a deflationary measure which, on economic grounds as distinct from broad social grounds, superficially seemed to run counter to the trend of the New Deal.

Third, the new system for veterans' compensation, irrefutably sound as outlined by the President, was applied in the first instance by men who evidently were thinking of economy more than of justice to the veterans. The mistake was in cutting too deeply into compensation for the genuinely war-disabled. This error was recognized by the President before the end of the special session last year. He at once began to rectify it, and since then he has made a series of concessions dictated by the desire to give the veterans the benefit of every doubt; however, the initial blunder of the President's subordinates gave the veterans' organizations a running start on their campaign.

Fourth in the list of factors was the increasing difficulty of defending a reduction of salaries for Federal employes, especially those in the low-salary classes, in the face of the NRA's campaign to increase wages and salaries in private business.

Fifth is the approach of an election, which stimulates such a high-pitched emotional state in some Representatives and Senators that they become slightly unbalanced.

Sixth is the recent prodding which the press —and, ironically, the conservative press in particular—has given Congress to show its independence of the President.

Seventh is the evident determination of the Republican Party to stand merely for hand-to-mouth opportunism.

If the President had faced only the veterans' lobby or only the pressure from Federal employes, his veto probably would have been sustained. He faced a powerful combination of two groups at the same time. He based his veto message primarily on the portions of the bill applying to veterans.

In retrospect, many of his friends believe that he would have been wise to accede earlier to the demand for restoration of ten per cent of the Federal pay cut, and to make his fight solely on the issue of whether the Treasury is to be reopened to raids on behalf of veterans—many of whom did not cross the ocean and who, in numerous instances, were in the army hardly long enough to learn the manual of arms, or to catch the colds to which so many "presumptive" disabilities are traced.

The behavior of the Republicans was embarrassing to the conservatives, as the New York *Herald Tribune* frankly asserted. Not one Republican Senator, and only two Republican Representatives, voted for economy and against the veterans' lobby. The same Republicans who denounced the President's monetary policy turned about and voted for the most vicious type of inflation—an irrationally unbalanced budget. If the Republicans are to stand as a conservative party, a balanced budget must be the first plank of their platform.

The conservatives have plenty of material for rumination in the fact that the only issue on which the President has suffered a defeat is the only issue on which they thought he was right.

From Bad to Wirt

"THE Republicans are going from bad to Wirt," remarked a journalistic wag, apropos of the performance of the Republicans on the Independent Offices bill and the decision to investigate the charges of the Gary schoolmaster that members of the Brains Trust are plotting to put a "Stalin" at the head of the government when Mr. Roosevelt has fulfilled his historic function as a "Kerensky."

The counter-revolutionary Grand Duke, Mark Sullivan, gravely informed his readers that the investigation of Dr. Wirt's charges was the most important matter before the nation.

Dr. Wirt has been accorded his chance to prove his assertions—which, in fact, do amount to a charge of treason, if one takes them as seriously as Grand Duke Sullivan does.

Among a few of the lesser-known liberals of the Administration, and among a few mischievous newspaper men there lingers, however, a piquant recollection of Dr. Wirt's visit to Washington last Summer and of his profound alarm over the revolutionary tendencies of the New Deal. Presumably it was one of these individuals who made Dr. Wirt privy to the plot to supplant Mr. Roosevelt with a "Stalin." "Stalin" has been variously identified as Carter Glass, Tom Corcoran, the author of *The New Dealers*, Marvin McIntyre, Buzzie Dall, and Scamper, the White House bunny. —R.F.A.

VINCENT ASTOR, Publisher

RAYMOND MOLEY, Editor
W. P. BEAZELL, Assistant Editar

WILLIAM C. STEWART, Managing Editar

WE WOULD KEEP on all lists of unfinished business for Congress the problem of city debt. The cities are getting into deeper and deeper trouble. Youngstown and Cleveland have cut salaries fifty per cent. There is no NRA to help this sort of employment and no bankruptcy to relieve the strain.

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THE APPOINTMENT of Dr. Leo Wolman on the Automobile Board is the just recognition of one of our few "career men" in labor relations. In the rebuilding of labor leadership that will be necessary under the new conditions created by the NRA, there will be needed many young men prepared to make a life career of labor leadership. Young men may well look to this enlarging profession. Labor, capital and the public need them.

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THE MODERNIZING-OF-AMERICA idea now being developed in Washington and discussed elsewhere in this issue of TODAY challenges the imagination. It is fully within the implications of present policies in Washington. It is economically sound and, if well administered, could help recovery immeasurably. The best brief account of the idea is in the Whaley-Eaton letter of March 31.

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IN OUR OPINION, the major legislation that should and probably will be passed consists of the Stock Exchange bill, a few minor corrections in the Securities Act, the Communications Commission bill, a bill providing some form of industrial credit and a bill providing some form of municipal debt relief. We hope the members of Congress will not be so solicitous of lawyers as to refuse to pass stiff regulations similar to the Norris bill. But we are afraid they will.

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OBJECTIONS to the Stock Exchange bill are rapidly being broken down by the coopcrative spirit of Senator Fletcher and Representative Rayburn. Many objectors, alarmed by the misinformation ballyhooed over the country, have gone to Washington and have been convinced that the bill is an honest and effective measure which, when enacted, will go far to restore public confidence in a very important and necessary institution.

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THE WAGNER BILL—relating to company unions, will probably not be passed. It will do no harm to let a year go by before the Federal government attempts to crystallize a labor policy. Neither does it seem wise to undertake a Federal unemployment insurance policy now.

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UNDER THE SKILLFUL leadership of Assistant Attorney General Joseph Keenan and Edgar Hoover, Chief of the Bureau of Investigation, the Federal government has done an amazing job of law enforcement this past year. In order to make the Federal government still more effective, a number of bills have been submitted to Congress by the Attorney General. The Senate has passed most of them and they are now pending before the House Judiciary Committee. There can be little argument about the wisdom of most of them. One simplifies procedure with reference to indictments; another provides punishment for assaulting Federal officers; another gives more protection against smuggling narcotics into Federal prisons; another permits cooperative compacts among states for criminal prosecution; and another strengthens the so-called Lindbergh Kidnaping Act.

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VERY IMPORTANT is a bill long advocated by people interested in crime suppression, giving the Federal government effective control over the manufacture of firearms, particularly machine guns. It has been a long time since the right to bear arms has helped any citizen except a bad one. The most strict regulation is necessary concerning the manufacture and shipment of arms and no state or city can adequately control the evil. This is a clear case for Federal control.

AS TO THREE other bills, Chairman Hatton Sumners of the House Judiciary Committee, raises some interesting questions. The first makes it a Federal crime to rob banks "organized or operating under the laws of the United States or any member of the Federal Reserve System." It is already a Federal crime to rob a National bank; but robberies of other banks are covered only by state laws. This bill goes so far as to put Federal criminal authority over a very large proportion of all bank robberies. Another bill attempts to make racketecring a Federal offense in all cases where a relationship to interstate commerce is concerned. Another extends the Dyer "National Motor Vehicle Theft Act" to practically all property in interstate commerce and makes the theft or criminally receiving of such property a Federal crime.

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IN A SPEECH in the House, Mr. Sumners raised the question of whether it is sound for the Federal government to take over the jurisdiction of a large number of crimes, the sole responsibility for the prosecution of which now rests with the states. He pointed out that when "Uncle Sam" steps in to solve or prosecute a crime, states and cities quickly abandon their own responsibilities. To carry this very far, he said, is to impair the initiative of local government. There is also the necessity, if these laws are enacted, of equipping the Federal government with more investigators and police to meet the new responsibilities, and of strengthening also the Federal Courts and District Attorneys' offices. The question should be thoroughly considered because vital issues are at stake.

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MAYBE DR. WIRT read this passage in the last paragraph in Mr. Lindley's fine book on the Roosevelt Administration: "Orderly readjustment by democratic methods may turn out to be impossible of achievement; Mr. Roosevelt may turn out to be the Kerensky of the Revolution. However, Mr. Roosevelt is a far abler man than most of the figures who have been thrown up in the transitional periods of history."

Voting for Chaos

THE vote in the Senate, overriding the President's veto of the Independent Offices bill, snapped a tension that has been growing for a long time. I suspect that a majority of those Democrats and Republican progressives who voted against the President on that issue regretted it both before and after the vote. They will take no pleasure out of the companions at arms beside whom they fought in this minor defeat for the President. This overturn was accomplished by a strange alliance of discordant elements.

Four groups, representing roughly four points of view, participated.

First, there were Republican wheelhorses, such as Senator Fess of Ohio, concerned for the moment, not with the genuine issue involved, but grasping at any straw that might prove an embarrassment to the man who was the obstacle to their return to the power that they had so grievously misused.

Second, there were Republican progressives, such as Senator Norris, who voted sincerely to give the veterans and civil employes a portion of the wealth of the country, taken from elements that they no doubt consider well able to pay.

Third, there were Democrats, such as Senator Long of Louisiana, whose zeal for the redistribution of wealth is so great that any means to this end seems desirable. No doubt they believe that out of chaos there may come a radical social readjustment.

Fourth, were men like Senator Reed of Pennsylvania, Congressional spokesman for a section of business opinion which wants at all costs to injure the Administration's purpose to enforce the authority of government over the Stock Exchange and other means for financial and industrial excess.

To get an issue big enough to hold these four discordant elements is to make of an issue an unmeaning blur. When Fess and Norris and Long and Reed vote together against the President they are voting for chaos.

But all of these direct motives added together do not completely explain the vote. Another factor prevailed and no progressive Democrat can afford to blink at it. I spent the three days after the vote in Washington talking to many people in and out of Congress and I sensed this final factor unmistakably. I can explain it with a story said to have been told by Mark Hanna after a hard day of campaigning. A soldier, after a day's long march, was grumbling over his supper. A comrade asked if he did not love his country. "Of course I do," he answered. "But I'll be damned if I would ever love another."

For a year members of Congress have wrestled wtih gigantic problems. They have worked hard. Their achievement is magnificent. Their constituents realize it and see the benefits in their own lives. But the members of Congress want their constituents to digest and assimilate what has been done before they move on to other things. They are afraid of reaction. They want a breathing spell.

Other things were involved too—a great deal of grumbling over patronage, over minor rubs with their leaders and with the Administration. A little relaxation of tension will help, although this incident is going to cost the taxpayers a good deal of money. But if, as a result of it, there is calm sailing ahead, the money will have bought something.

And now, after the vote, and looking forward to the end of the Congressional session and the test at the polls next Fall, the New Deal has reached the point where it can afford to consider its major objectives attained and move toward a consolidation of good will and understanding around its present position.

This can be done by pointing out the answer to a question frequently asked and recently stated by the Washington *Post:* "The objection of this newspaper is to the failure of the Administration to state clearly and courageously the full implications of certain measures which are being resolutely pushed through to law."

The record of the President, both in speech and in action, is the best answer.

THE President's budget message in January stated that he expected that the extraordinary expenditures for recovery would taper off very rapidly during the next year. There could be no other implication in this prediction except that private business was expected to take up the slack by a recovery wholly in accordance with capitalistic principles.

The President has asked only those things, during this session of Congress, that are a necessary fulfilment of the promises of the Democratic platform and of his campaign pledges. The Stock Exchange bill is the most noteworthy of these. It is not destructive of private enterprise, but of the things that have discredited private enterprise.

He has asked for an act establishing a Communications Commission, for authority to make commercial agreements with foreign nations and a few minor items.

These requests certainly do not justify the frightened cries of "regimentation" and "socialism" that we have been hearing. They indicate, rather, that the President is content to rest the future of the New Deal on improvement—and ever constant improvement in administration.

The New Deal is a rehabilitation of capitalistic enterprise in the United States. It extends the power of the government in many respects, but this is merely a continuation of the tendencies of the past generation. Its justification is already apparent in the widespread recovery in our economic life. It does not propose Fascism, regimentation, Communism, or any of the other hobgoblins invented by a hysterical Republican Party propaganda to scare American business.

Raymond Moley

Seeking Pots of Gold Abroad

Forced exports can never be a source of wealth to the nation

By HENRY KITTREDGE NORTON

IT is the accepted tradition that the wealth of England was founded upon her great seagoing commerce. The fact that England made such tremendous progress under a régime which favored foreign commerce, led to emulation by other countries. They imported machines from England and when they had an industrial equipment of their own they set up tariff walls to shut out the English product. Then they expanded their production, by the same process which had been followed in England, and began to compete with her in other countries.

Increasing restrictions on the market for British goods abroad provoked in England a new insistence upon the doctrine of free trade. This doctrine remained in favor as long as England's position as the "work shop of the world" was unchallenged by other countries. But as the other nations developed their industrialism to the point where they were serious competitors of the British manufacturers abroad, and even began to send goods into the British market itself, Britain returned to a policy of protection for her industries.

The countries which found themselves in a position to build up industrial economies of their own had studied carefully the course of British development during the latter half of the nineteenth century, and had come to the conclusion that the way to profit by foreign trade was to sell abroad as much as possible and buy abroad as little as possible. All the emphasis was placed upon exports as a source of wealth to the exporting country, while imports were restricted in the interest of the home producer.

The United States in recent years has been peculiarly active in this regard. When we ran into the slump of 1920-21, the huge new producing capacity which had been built up to meet war needs found itself without a market of anything like the size necessary to absorb its products. Foreign trade—meaning more exports—seemed so obviously the thing we needed that we rushed at it with an enthusiasm characteristically irrational.

When foreign nations had no money with which to buy our products, we loaned them the money by buying foreign bonds on a huge scale. From 1914 to 1930, inclusive, we sold the rest of the world twenty-seven billion dollars worth of our products *over and above* what we bought of them. On the theory that a large export surplus is a contribution to national wealth, we were growing rich at a rapid rate.

But there is a curious coincidence to be explained. If we add the amount of our war loans, the total purchases of foreign bonds, and our investment in foreign properties during these years, the total is slightly in excess of twenty-seven billion dollars. This, alas, is more than a coincidence. Our export surplus would not have existed except as we loaned the rest of the world the money to pay for it. The conclusion is inescapable—we have paid for our twenty-seven-billion-dollar "favorable balance of trade" out of our own pockets. We may well ask how long it will take us at this rate to grow rich from a continuous succession of "favorable" trade balances.

The orgy of lending, and shipping "surpluses" abroad, continued just long enough, however, to reestablish the world's faith in the doctrine that there is untold wealth in exporting to foreign markets. Governments put new energy into their efforts to increase exports by subsidizing shipping, sending out commercial attachés and counsellors, spurring their consular forces to new exertions to find customers and sell goods, and by building up sizable bureaucracies whose business it was to collect all varieties of information and hold it in readiness for every inquiring producer who could not sell his goods in the home market. But all this effort proved futile. The depression has brought international finance almost to a standstill and the total values of exports and imports have sadly shrunk.

It must be noted, however, that the *volume* of international trade rose during the 'twenties and fell during depression far less than the *values* of international trade. The inference is almost inescapable, that the trading nations, by pushing their exports out of all proportion to the consumer demand, have got themselves into a buyers' market where the consumer buys about the same amount of goods, but buys them at his own price. Meanwhile, the exporting nations are glaring fiercely at each other and sharpening their weapons to meet all possible contingencies.

Nevertheless, we have those among us who see this regression in foreign trade as an unmitigated evil and who devote their whole thought and energy to efforts to revive our export markets at all costs. They say they are working for international cooperation and they roundly condemn what they call "economic nationalism."

This furore over the decline of world commerce is based upon the assumption that international trade should continue to expand forever, at least in proportion to the increase in world production. Yet, if we look at the matter calmly, it must be clear that the logical result of the international trade we have known in the past is that each nation shall ultimately acquire a producing equipment approximately adequate at least for its own consuming needs. If and when that result is obtained, international trade must thenceforth subsist upon such products as can readily be produced in some countries and cannot be produced without disproportionate effort in others.

THE progress of automatization has had profound effects in the internal economy and in the foreign trade of every industrial nation. It is painfully evident that the capacity for production of the United States has overwhelmed the existing methods of distributing the product to our own people. Political and industrial magnates may still talk of our "surplus production" and the necessity of finding foreign markets therefor. But practically every other country is in the same situation. The world is filled with competitive surpluses, each nation seeking to dispose of its surplus abroad, while its own people, in a stupor compounded of wonder and resentment, suffer from underemployment, want and the menace of starvation.

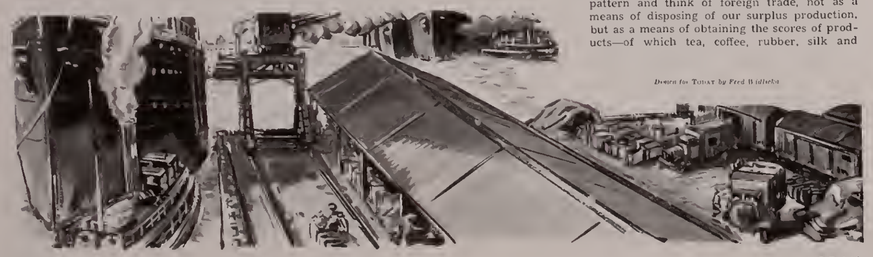
We are beginning to realize that this whole conception of forced exports as a source of wealth is a vestigial relic of the producer capitalism of the last century. It ignores the economic realities of today.

If we turn for a moment from the traditional pattern and think of foreign trade, not as a means of disposing of our surplus production, but as a means of obtaining the scores of products—of which tea, coffee, rubber, silk and tin are prominent examples—which we do not produce in our own territory, the value of this trade may assume a different aspect. Whatever amount of such products we wish to buy and pay for, the nations producing them will continue to sell us gladly, regardless of any possible developments of "economic nationalism." We shall pay for these products in dollars. These dollars can be spent only in the United States. When a person who has dollars wishes to spend them in England or France or elsewhere, he must, in order to do so, buy pounds or francs or other currency. To do this he must find someone who has pounds, or francs or the other currency, that he is willing to exchange for dollars so that he can make purchases in the United States. Thus the sellers of the products which we buy abroad will necessarily, either themselves or through turning their dollars over to others, purchase an equal value of our own products for export.

Foreign trade on this basis is advantageous to both parties. We simply purchase from abroad whatever quantity we need of those products we do not produce at all or do not produce in sufficient volume. We pay for them automatically by the export of an equal value of our own products. Here, then, is a very sizable volume of foreign trade that we can carry on to our advantage and that of those with whom we trade, and which has in it no element of international conflict whatsoever.

Suppose now, through government or private activity, we force the sale of exports in addition to this amount which, naturally and inevitably, flows out of the country in payment for our imports. Every dollar's worth of such additional imports must be paid for—if it is paid for at all—by a dollar's worth of future imports of goods or services from abroad. And that dollar's worth of imports will not then be available to purchase a dollar's worth of new exports. Whether the additional exports are financed by short-term credits, by the sale of long-term foreign bonds, or by government loans, makes no difference in the end. The value of the exports *for which we can be* paid is absolutely limited by the value of the goods and services we import.

CONSUMER CAPITALISM recognizes this problem of foreign trade. The first effect of the adoption of the principles of Consumer Capitalism would be to raise materially the standard of living of all classes in this country—that is, it would substantially increase the total of the national income. This would mean a marked increase in the demand for rubber, silk, tin and the many other articles which we cannot produce at all, or which we do not produce in sufficient quantity to supply our own consumer demand. An increase in the import of such products would have no adverse effect upon the market of any domestic producer. On the contrary, it would furnish large amounts of new dollar exchange which would be used either in payment of debts for past exports or to buy more American products for current exports. Our agriculturists and our manufacturers would compete for this additional trade, but it would be competition in a market which does not exist at all under present arrangements.



Drawn for TODAY by Fred Wilcox

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Making FOREIGN TRADE Pay

The old conception of forced exports as a source of wealth is a relic of producer capitalism of the last century. It ignores economic reality. If we think of foreign trade, not as a means of disposing of surplus products, but as a means of obtaining products which we do not produce, the value of foreign trade assumes a different aspect. Whatever amount of such products—such as tea, coffee, rubber and silk—we buy, the producer nations will gladly sell. We pay for these products in dollars. The sellers, either themselves or through turning their dollars over to others, will necessarily purchase an equal amount of our own products for export. Foreign trade on this basis is advantageous to both parties.

Consumer Capitalism would raise the demand for imports by raising the standard of living, and increase exports thereby.

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Such an increase in foreign trade would not only be wholly to the advantage of the United States but it would be of proportionate advantage to every country which traded with the United States. In fact, because of the increased volume of world trade which it would induce, it would be to the advantage of every country which enters into that world trade in any way. It would represent a division of *new* profits in *new* foreign trade instead of an attempt to shift *existing losses* to other nations. I am constrained to believe it is misleading to call this "national isolation." A process which builds up new markets and new trade, in which all would share, is far more useful than any number of attempted agreements between struggling and suspicious competitors for a new division of the existing shrunken markets and dwindling trade. Instead of national isolation, such a process would be "international collaboration" of the most beneficial kind.

There can be no question that the sudden incursion of the vast economic power of the United States into the export trade has thrown upon the world market a far larger supply of goods than it has the consuming power to absorb. We suspended the ill effects of this incursion during the 'twenties by lending the world market the additional purchasing power which it needed to meet the situation. But the moment we discontinued our fabulous lending, disintegration set in. It has proceeded without interruption for four years and all of the heroic efforts thus far made to stop it have proved unavailing.

Assume, however, that the United States had made the necessary arrangements to carry on its economic activity under the principles of Consumer Capitalism. Presently our imports would begin to mount in value. At the same time most of our producers who have felt the need to sell abroad, would, for the most part, find domestic demand so insistent and domestic sales so much more profitable, that they would gradually withdraw from the export market. We should thus, to our profit in both directions, increase our purchases from the world markets and reduce our sales therein.

The effect upon other nations of such a shift in emphasis from sales to purchases on the part of the United States, would be promptly beneficial. They would be enabled to expand their sales on a rising market in greater proportion than they would have to increase their purchases. We would have something comparable to what happens in the stock market when the largest operator, who has been "bearish" and selling everything he had loose, suddenly turns "bullish" and starts to buy on the same grand scale. Prices immediately start upward and the resultant good feeling rapidly spreads from the market through the whole community. The difference is that while the stock-market operator would be affecting merely speculative prices, the United States would be actually increasing the flow of goods and services which go to make up the material well-being of the world.

The reestablishment of foreign trade upon a going basis in this manner would necessarily mean an improvement in the internal economy of other countries. The word "prosperity" might again signify an actual condition instead of an abstract concept. For the shifting of American emphasis from exports to imports would have the same effect upon their respective economies as the discovery of a new consumer market. It would be just that. In the same way that Consumer Capitalism would multiply consumer demand for our domestic producers, and thus be effective in restoring them to prosperity, it would have a corresponding effect in multiplying the consumer demand which we make effective in the world market.

THE adoption of Consumer Capitalism by the United States, therefore, would be a very substantial contribution toward the restoration of prosperity in the other countries of the world. In doing so we should help to remove from the world the greatest danger which now menaces it—the widespread economic desperation which enables reckless demagogues to make even the risk of war appear as a more desirable alternative. This desperation can be overcome only by the restoration of a fair measure of economic well-being and at least a semblance of economic security. The desperate efforts to bring about these things in the last four years have so signally failed as to justify a plea for some new and more far-reaching approach to the problem. The adoption of Consumer Capitalism by the United States would not only remove the pressures which now contribute to world tension but would release powerful forces which would work in the opposite direction—and all to our own immediate financial profit.

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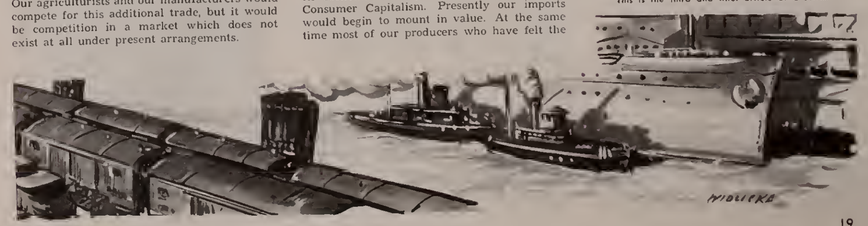
This is the third and final article of a series



Miracle from Hollywood

"Men in White" is screened

By LOUIS WEITZENKORN

"Clark Gable (shown with Elizabeth Allan) has improved a thousand per cent"

MEN IN WHITE. A Metro-Goldwyn-Mayer production, with Clark Gable, Myrna Loy, Jean Hersholt, Elizabeth Allan and Otto Kruger. Directed by Richard Boleslavsky and adapted from the current play of Sidney Kingsley by Waldemar Young.

MOTION pictures are, perhaps, the purest form of collaboration of any media attempting to call itself an art. It is for this reason that the screen for the most part fails out of all proportion to the time and expense put into its productions. Generally the reason may be laid at the door of egotism. The producer or his wife or fourteen-year-old son rewrites the script or the director does or an inflated star takes the pen in hand. For this reason the writer, certainly the keystone of the constructive arch, is the lowest animal in Hollywood. Where the theater or the publishing world recognizes the value of building the reputations of the people who create their productions, the motion picture business buries them in obscurity because deep in the consciousness of these producers is the knowledge that the day is inevitable when the writer will sit alone upon the throne.

With this prelude let me say that *Men in White*, by some oversight on the part of the producers, is one of the ten best pictures ever to come from Hollywood. What happy chance ever put as deft a directorial artist as Boleslavsky in charge of its making must be laid to the fact that the director politicians were asleep or they looked upon Sidney Kingsley's play and thought it "terrible." I hate prophecy because it's usually confounding, but this I'll venture: *Men in White* will make more money for MGM than any picture they release this year.

Boleslavsky, until the recent shambles of making *Rasputin and the Empress*, had been kept puttering around as a writer in spite of his directorial training in Russia and his close association with men like Eisenstein. As *Rasputin and the Empress* was a Russian story and as everyone else went to pieces on it, Boleslavsky was thrown upon the set, probably because of the last syllables in his name. Now they have given the right man the right story and, concentrating upon the story, he has made a motion picture whose first quality is motion, which, as it unrolls, raises in the heart that exhilaration, that lightness of the soul which is the only measure I know for a work of art.

Boleslavsky, then, decided that the Kingsley play as Kingsley had written it didn't need the fine touches of a dozen other writers and the supervising stooges who try to think only of what the boss wants. With as able a screen craftsman as Waldemar Young he merely adapted the play to the wider stage of the screen and photographed it, simply, beautifully, giving it a pace and rhythm that only men expert in the technique of picture-making can impart. The picture is mounted lavishly with a modern hospital's equipment carried out to its last detail. Closeups have been used with reason.

There are no villains in *Men in White*. Curiously enough it conveys the distinct impression that human beings, basically, are a pretty decent lot, that given their proper places in life they will work more for their own self respect, their own honor and the plaudits of their fellow men than they will for money.

In this picture the hospital is a symbol of a sick world and its doctors and nurses that thin phalanx of human beings who have dedicated themselves to a larger nobility than trying to swallow gold.

The players seem to have caught at the idea pervading this job. Gable, who lately has improved as an actor a thousand per cent (with credit to Directors Capra and Boleslavsky), is here always the doctor and never the flapper's dream lover. Jean Hersholt gives one of the finest performances of his successful career.

Altogether *Men in White* serves to refute my own gigantic pessimism toward Hollywood. Perhaps, if the picture does go jingling merrily around the country's box offices, it may bring into their own those artists who really know how to turn the trick.

GLAMOUR. A Universal production based on a story by Edna Ferber. Directed by William Wyler and allegedly adapted by Doris Anderson. With Constance Cummings and Paul Lukas.

GLAMOUR is a picture with noble aspirations to get somewhere, only to be defeated by the interference of those who know more about human psychology and motivations than Edna Ferber. This study of an hysterical woman who, in the picture goes through life something like a threshing machine and generally whining about it, never rises above the incompetence of its makers. No one seemed to know, quite, whether she was intelligent or just a mental defective in a blond wig. Miss Cummings certainly didn't know and I could never get it clear in my own mind why the suave, intelligent and sensitive character supposed to have been portrayed by Paul Lukas should ever have bothered trying to lift her from the chorus.

I doubt sincerely that this picture will please even those to whom the sheerest hokum is caviar. And it's rather unfortunate, because the elements for a good story are all here, laid to the hand of the manufacturers and spoiled by those ubiquitous know-it-alls who paint the lilies in Hollywood. Those responsible dropped in bits of Rene Claire, bits of Katharine Hepburn and other odds and ends that didn't belong to the same animal. This screen play was a Lubitsch problem solved by a Mr. Wyler.

Constance Cummings and Phillip Reed in a backstage scene from "Glamour"

Swashbucklers as Human Beings

Marquis James breathes life into many of the puppets that wander through history's pages

A Book Review—By RUSSEL CROUSE

HISTORIANS, as a rule, are stodgy gentlemen who deal rather impressively with dates and places. To some of us, however, dates and places are important only in relation to human beings and their activities. In their forgetfulness of this fact, the historians have left us shelf after shelf of archives as lifeless as the dust they gather.

Occasionally somebody comes along who can breathe life into the puppets that wander from chapter to chapter. It is then that we realize that the men and women who went before us really lived, loved, hated and died as human beings still are doing and always will do.

For instance, we will take a gentleman named William Kidd. Historians have left us a picture of him as a black-bearded gentleman with a cutlass between his teeth, cursing and killing under the black flag of piracy. Now, those of us who have taken the trouble to look into the life of Captain William Kidd know him to have been a rather kindly man who had sense enough to marry the richest widow in New York and vanity enough to buy the first Turkey carpet ever imported into this country, who would have been quite content to spend his days buying and selling real estate but who was drafted to put down piracy and became involved in political intrigue so deeply that he was hanged by the neck for something that he didn't do at all.

If you want to find out just how Captain Kidd became involved in all this chicanery and why he couldn't extricate himself from a net that others wove for him, I would advise you to read Marquis James' *They Had Their Hour*.* For Mr. James tells the story, and he tells it very well. He doesn't bother so much about dates and places; he is concerned with a human being. And that's what the historians lost sight of when they set Captain Kidd down in black, a figure used for years to frighten children.

Mr. James does not stop with Captain Kidd. He has taken many names from the faded headlines of other days and presented them as people who can be understood. Do not gather from his book's title that Mr. James has written a series of success stories, and do not gather from my own use of Captain Kidd as an example that he has gone into the white-washing business. Several of his subjects are heroes, to be sure, but some of them heroes through sheer good fortune rather than from the bravery which always has been credited to them. And several of them are villains, too, villains for whom Mr. James lights no belated halos. It is just that, right or wrong, they at last are presented as men and not puppets.

There is Thomas Jefferson, for instance, a gentleman who has been cast in bronze so often that it is difficult to conceive him as a figure of flesh and blood. It was Jefferson, you will recall, who drafted the Declaration of Independence. From historians you may have got the picture of Jefferson receiving inspiration by lightning bolt from high for that rather unusual document, and of dashing it off in some ethereal trance. From Mr. James you learn that Jefferson received the assignment from fellow-committeemen who were too lazy or too busy to bother with it, that he wrote it laboriously during a heat wave that wilted any enthusiasm he might have carried to the task and that when at long last he finished it, he wasn't too proud of the job.

"Thomas Janes, skipper of the Mayflower, dumped the Pilgrims on the hard, unyielding soil of New England because there was graft in it for him"

There is Thomas Jones, the skipper who piloted the *Mayflower* safely across the Atlantic and dumped the Pilgrims rather peremptorily on the hard, unyielding soil of New England instead of the pleasant and lucrative soil of Virginia, because there was a little graft in it for him. There is John André, who might have been a British hero if he had obeyed orders instead of getting too ambitious, and who might have saved his own neck and possibly a British colony which has done pretty well independently since, if he hadn't taken the wrong road back to New York and run into a group of young men who were just naturally suspicious without knowing why.

There is John Wilkes Booth, who might have been all right if he hadn't played too many dramatic roles, thus being imbued with the idea that an all-expectant public wanted to see him act in real life as well, and thus becoming involved, largely through his own vanity, in what turned out to be the most diabolical plot in American history. And there is Abraham Lincoln, who didn't want to go to the theater that night at all, because he had a new book by Artemus Ward which he wanted to read.

There is William Barret Travis, whose defense of the Alamo might not have been futile if Texas military leaders had stopped squabbling among themselves long enough to realize what was at stake. There is Private Sam Davis, a beardless youth whose sense of military duty was so strong that he faced a firing squad with much more calm than his enemies who were standing by urging him to give them some slight excuse to save him.

There is J. J. Andrews, who isn't listed among your Civil War heroes, because he failed by a few miles to drive a stolen railroad train through the heart of Dixie after one of the most thrilling adventures of the time. And there is Dick Yeager, a second-rate bad man of the West when the West was wild if not woolly, who died with all the courage of a first-rate bad man, or even a first-rate hero, if it comes to that.

They had their hour, each one of them. Historians may have given you the date, the hour and the place. But that wasn't what was important. Mr. James, in setting forth these swashbucklers, for there is a touch of the bizarre in almost all of them, has made them live, because he has seen them as human beings who ate the same sort of things you eat and took up no more room in the ground when they were buried than you will.

Put upon a shelf along with the histories that have encased them heretofore, it would not be at all surprising to see them step out of Mr. James' pages and chase their pale historical ghosts right out of the dust that has gathered on them. The experiment would be worth trying, at any rate.

*They Had Their Hour, by Marquis James, Bobbs-Merrill Co., Indianapolis. $2.75.

Can the Small Business Survive?

(One of Today's Lessons in Government)

By SCHUYLER C. WALLACE

Department of Public Law and Government, Columbia University

THE status of the small business man in our economy has constituted a serious problem in the councils of the NRA. What is his destiny in the New Order? What modifications should still be made in the codes in his behalf? What supplementary measures should be enacted? These and one hundred other questions have been asked again and again during the past several months.

Insofar as the small business man has hitherto survived under the competitive system through a ruthless exploitation of child and adult labor, his days are numbered. And few there are who will mourn his passing. If the only claim to managerial ability a small business man can advance is a superior capacity in browbeating labor, the sooner he is eliminated from the managerial class the better. Both critic and protagonist of the Administration's measures are agreed upon this. They are by no means agreed, however, upon the further consequences of the Administration's policies. To many, the future of the medium-sized *entrepreneur* in a codified society looks gloomy indeed.

Some of the critics of the Administration's measures actually envisage his total elimination from American economic life. This is, of course, an exaggeration. Nevertheless, it may well be that the burden of the codes rests more heavily on the smaller business man than it does on his larger competitor.

In the first place, the cost of labor is frequently proportionately greater in the smaller establishment, it is argued, than it is in the larger ones. This is true for the reason that the medium-sized *entrepreneur* often cannot afford to put in the expensive labor-saving machinery which is to be found in the factories of his great competitors. Thus, the increase in labor costs which has been brought about by the codes is proportionately larger for the little fellow than it is for the great industrialist.

In the second place, the degree of flexibility which can be introduced into a business organization is in some industries in inverse ratio to its personnel. If the shortening of hours of labor under the code of a particular industry means a twenty per cent curtailment of working hours for the individual employe this may mean only a slightly increased personnel and a shuffling of the hours of the existing personnel in a large establishment. Such will frequently not be the case in a smaller enterprise. An organization employing only eight men, faced with the necessity of rendering the same service, despite a twenty per cent reduction in hours of labor, may very easily find it necessary to employ two additional men. A reshuffling of hours of the character possible in a great industrial enterprise may be totally impossible in such cases.

Third, the partial suspension of the anti-trust laws may, as the codes now stand, lead to the further development of industrial combinations in certain specific industries. This development may or may not lead to greater efficiency. Insofar as it does, the small business man, already handicapped by a relatively greater burden imposed on him by the codes, will have to face an even more intense competition than ever before.

Mention might also be made of the danger to the small business man latent in certain of the variations of price fixing which have been introduced into the codes, should the code authorities be dominated by the great industrialists. Prices may easily be fixed in such a way as to wipe out a large proportion of the smaller establishments in a given industry.

The fact that provisions have been introduced into certain of the codes prohibiting the introduction of additional or improved machinery may actually prevent the smaller *entrepreneur* from increasing his efficiency at the very time increased labor costs make it imperative for him to do so.

The question inevitably arises as to where the money is to come from with which the employer is to meet the added labor costs. The reply frequently given is, first, from the profits of the business; second, from the corporate surpluses; third, from the banks; and fourth, from government spending.

Unfortunately for many a small business man, the effect of government spending has yet to be felt. There are no profits. And in the case of many a small business enterprise, there is no corporate surplus. Moreover, in many parts of the country, the banks simply will not advance the necessary credits to the small industrialist nor to the small retailer.

Whether this attitude on the part of the banks is due to the fact that the welfare of their own financial structures is inextricably interwoven with the welfare of big business which, in many industries, would be happy to see the independent *entrepreneur* go to the wall so that they themselves might enjoy the additional business which their independent competitors have possessed in the past, or, whether it is because our commercial banks are simply dubious of the financial wisdom of lending their depositors' money to the thousand and one small businesses which make demands upon them, is a moot question. The fact simply is that in many parts of the country the banks will not extend to the small and medium-sized business man the credits which are imperative if he is to carry on under the rules laid down by the National Recovery Administration.

These, then, are the consequences of the National Recovery Act as the critics of the Administration's policies see it. The future of the small business man looks gloomy indeed.

NOR are these criticisms lacking in validity. The President's Re-employment Agreement specifically exempted from the provisions of the blanket code all businesses not employing more than two persons located in towns less than 2,500. And a further modification of that code, made on October 23, 1933, provides as follows:

"The provisions of the President's Re-employment Agreement, issued July 27, 1933, shall not be held to apply to employers engaged only locally in retail trade or in local service industries (and not in a business in or affecting interstate commerce) who do not employ more than five persons and who are located in towns of less than 2,500 population (according to the 1930 Federal census) which are not in the immediate trade area of a city of larger population, except so far as such employers who have signed the President's Re-employment Agreement desire to continue to comply with the terms of said agreement after the date of this order; . . ."

In both these actions, the Administration conceded by implication the validity of the arguments heretofore advanced.

Within the last several weeks, moreover, there has been introduced into Congress an Administration measure creating twelve industrial credit banks, frankly designed to provide working capital for the small and medium-sized *entrepreneur*. Thus, once again, the Administration has conceded the soundness of the arguments of the protagonists of the small business man and has attempted and is attempting to alleviate the situation.

Whether these innovations will prove adequate to the exigencies of the situation, or whether further action will be necessary, time alone can tell. Despite the fact that the small business man has, perhaps, profited somewhat through the elimination of certain unfair methods of competition by virtue of the codification of industry, his interests in many fields are quite distinct from those of the great industrialists, and should not be neglected.

Along with the bigger business man, however, the smaller *entrepreneur* has reaped whatever benefits the National Industrial Recovery Act and the allied recovery measures have conferred. The downward spiral of the depression has been stopped. There has been some pick-up in business. Thousands of small business men as well as large who might have been driven to the wall have been saved.

And if the reasoning of the Administration is correct, if increased purchasing power means increased business activity, it is very probable that sooner or later the existing pressure will let up upon little business and big business alike. Both may once again enjoy a measure of prosperity unknown to the United States since 1929. Whether or not this prosperity lies "just around the corner" depends, of course, upon the validity of the purchasing power theory upon which a large fraction of the Roosevelt program is predicated.

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Literature of the New Deal

UNDER the title, A.B.C. OF THE N.R.A. (Brookings Institution, Washington, D. C., 1934, $1.50, 185 pp.) C. L. Deering, P. T. Homan, L. L. Lorwin and L. S. Lyon present a primer of the National Recovery Administration designed to present the background and content of the Recovery Act and a simple picture of the activities of the Recovery Administration. As a factual survey of the existing situation the *A.B.C. of the N.R.A.* is without question the best thing in the field.

AMERICAN FARM POLICY (W. W. Norton and Company, New York, 1934, $1.50, 146 pp.) is the title of a volume by Wilson Gee. It is lucidly written and very nicely printed.

Projects like Norris Dam (above) are absorbing products of the heavy industries

Spreading Recovery's Benefits

Revival in the heavy industries is needed

THAT recovery will carry through 1934 at a slower pace than in 1933 is becoming apparent with the arrival of Spring.

Observers of the course of business have been moderating their hopes for the rate of this Spring's recovery, and few, even at the beginning of the year, believed that it would equal last Spring's, the most remarkable business revival on record. The 1933 pace was too fast to hold; it was based mainly on psychological factors, and was too heavily confined to the articles of ordinary consumption, omitting the durable goods.

This year, recovery began to show statistically from the opening months, and the statistics show a little better than the usual rate of gain. It probably is true that, with the exception of 1933, no other return to normalcy has equalled the rate of the present rise.

However, once again the same obstacle remains—the heavy industries, chiefly building, and the varied lot of trades which depend upon the functions of expansion in general. The shift of direction which NRA policy is taking in Washington—a more inclusive view, rather than any pronounced change—is placing more emphasis upon the need for the revival of the capital goods industries.

The building industry is not sharing in the recovery program at the rate hoped for. The Spring boom seems to have been called off. Some inquirers have decided the trouble is the unwillingness of large lenders—such as insurance companies—to advance money in the face of legislation impeding foreclosures. Yet these laws are not likely to be repealed while a flood of foreclosures overhang property, and it may be expected that this flood will hang over whole communities as long as their building industry is stagnant. Hence, a stalemate. Only government is strong enough to solve it.

Measures to assist the capital goods industries, proposed both from outside and inside the NRA Administration, shape up as follows:

(1.) Credit assistance by government credit, either through Public Works loans and grants or through intermediate credit arrangements, to be established in cooperation with the Federal Reserve System. Modification of the Securities Act, in the interest of lightening the burden of responsibility upon the securities underwriters also is proposed.

(2.) A possible installment-credit arrangement for the purchase of industrial equipment, whereby the government would finance installment sales.

(3.) Discretionary or administrative control of the shorter work-week, to permit industries with shortage of skilled labor (such as some of the machinery industries) to avoid having to absorb unskilled men too rapidly. Another prospect is the use of the shorter work-week to encourage industries to bring their plants to a higher degree of efficiency, looking in general to narrowing the zone of productive efficiency, a diminution of the difference between the highly efficient plant and the inefficient one.

(4.) Expansion of foreign trade, whether through reciprocal trade agreements or other means, including the development of the three import-export banks, for trade with Russia, Cuba and the rest of the world.

(5.) Removal of the restraints upon industrial expansion from the codes, especially those limitations which actually prevent subscribers to the codes from buying new equipment or building new plants. There are several of these items in the codes, and the industrial committee, headed by George Harrison Houston, is studying them with the hope of having some removed.

The key position which skilled labor is coming to occupy, for the present at least, may have its share in encouraging the purchase of new equipment. The new equipment will be needed to give labor new power, to enable workmen to use more tools—desirable because of the lack of a sufficient number of experienced men.

This raises the question of how or whether the supplies of skill in a number of the old trades will ever be restored in industry. If they are, an immediate training program should be started. A few of the new Federal Work Relief agencies are about to undertake this form of training, but if cooperative training is not developed, and if individual employers are not able to retain the labor which has lost its skill and replace workmen who have died, then it is certain that tools will be needed to make up for the lost skill.

We, in this country, have reached a new low average length of the work-week which Americans of a generation ago would never have thought possible. This low average of working time has been made possible by new tools.

THE business picture this month will have some complicated movements. One of them is the effect of higher wages in the steel and automobile industries, offset in part by higher prices for certain steel products. Automobile companies will pay more for labor and for steel; and if their volume can continue to increase, they will be able to absorb the rise in expenses. On the other hand, there has been some suspicion that the automobile industry is passing its Spring peak, and, if this is true, the rate of manufacture would hardly allow for a three-million-car production. Ordinarily, when production has been increasing at the rate it was in February and March, the peak does not come along until May, and volume is high into June and July. A definite slump in orders for automobiles would have an effect far beyond the automobile and steel industries.—F. R. L.

Drawn for TODAY by Fred Widlicka

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An Era Dies

How 13 economic exiles met changing times

By ALAN MACDONALD

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Signor Bonavita called his restaurant, bright and cheery enough after entrance through a dark street door and a climb up murky stairways, "a retreat for my friends." Now those friends have gone; the change and readjustment that bewilder Bonavita have come to every one of them, with a single exception, man by man and woman by woman.

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But all these years Tomaso had a secret. To hold his musical position, he thought, he had best be an American citizen. So, Tomaso was eagerness personified when he met a man who said that for $250 he could secure citizenship papers. He did, and only later did Tomaso learn they were forged. What to do? He shrugged and kept silence. This went well enough in the lush days prior to 1929, but when most of New York's musicians were out of work and looking greedily at jobs held by others, an unemployed friend turned Tomaso in. One night he fled the country.

The Irish heart of Florabelle, another star habitue, flared at Tomaso's misfortune, and at his friend who had betrayed him—not knowing that her own economic doom was being sealed. The silk stocking and lingerie shop in Fifth Avenue, where the ornamental, personality-plus Florabelle's wage as manager was $150 a week, in addition to expenses, was through.

A glamorous, black-eyed woman who began her adult years as a concert soprano, lost her voice and ever afterward wistfully worshipped music, who liked grand gestures and gave gorgeous presents to friends on the slightest excuse, came up short—owing debts almost everywhere she had gone. All she had saved was $2,500 in a building and loan association, which couldn't pay. And there she was with an expensive apartment, and a child she had adopted. For a time, she continued to come to Bonavita's, spending more than she should have and studying books on Christian Science. Then, she, too, disappeared. Word came back that she had found a place as a fifteen-dollar-a-week sales girl in a dress shop in Atlantic City. Today she's selling corsets, retail, on the road; her salary, $30 a week and expenses.

Particularly disturbed by Florabelle's plight was another of Bonavita's patrons, a newspaper man. There had been a curious relation between them: He loved her, and she liked him, that was all. Soon he had troubles of his own. His newspaper shut up shop, and he, too, was "out." Like scores of others he couldn't get work at his trade. He took to selling shoes from office to office. He took it on the chin, he says, and liked it.

"I'm getting even with folks I don't like," he laughs now. "I sell 'em shoes that are too small." Soon, you missed the young college boy who, in 1928, floated the $50,000 radio manufacturing corporation, but a little inquiry established the fact that he is eking out an existence as a part-time clerk in a radio shop at $10 a week.

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The still lovely thirty-five-year-old show girl, who when some bibulous soul would be moved to tell her she was beautiful used to reply, "Mr. Ziegfeld settled that years ago," lives on, but much more quietly and without Bonavita.

Most of Bonavita's customers were musicians, dreamers, emotionalists, impractical. How did they meet the changing times?

Two of them, long out of work, scraped together money enough to open restaurants of their own in the same neighborhood. Each took away such of Bonavita's old customers as were their particular friends. "They are both starving," Bonavita says, and, short of a miracle, "must lose everything."

Two others married, one for money, and another for a home where meals are cheaper than in restaurants.

Another, powerfully set up, with a shock of white hair and a magnetic, youthful face, has opened an office and with small funds put up by younger, employed musicians proposes to embark as a producer of concerts and musical shows. He hopes especially to stage a negro opera, with the performers paying for their training. All winter he and his family have lived on the meagerest of rations. The electric company turned off the current, and this man—long-time friend of Victor Herbert, who has played before kings and queens and millionaires the world over—burned candles. To the last, he dropped in to say hello at Bonavita's, accepted a cup of coffee—"no liquor, anymore"—promised to pay his bills when his schemes materialized, and went out. Bonavita says he often was hungry.

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An analysis of the tide of dictatorship

By MONITOR

THE empire of dictatorship now extends from the Pacific to the Mediterranean in an unbroken line. The traveler who boards a train at Vladivostok may proceed as far as Palermo, crossing all of Asia and the greater part of Europe, without once passing through a democratic country. The huge map of modern dictatorship includes Soviet Russia, Estonia, Poland, Germany, Austria, Hungary, Yugoslavia, Turkey and Italy.

The colors on this map range from red to black. The eastern area is a solid red, representing the Communist realm. The western zones, representing the Fascist countries, are of different dark shades. While all the Fascist nations are equally anti-Communist, some of them retain vestiges of parliamentary government. In Poland and Hungary, for example, the Socialist opposition elements have not been suppressed as completely as in Germany or Italy.

The Fascist tide has followed in the wake of Communism. Variegated as the Fascist governments and movements are, they all have in common a violent hatred of Bolshevism. Yet common to both Fascism and Communism is an even more violent hatred of democracy. The latter is the springboard for all contem-

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Nowhere in the Western world was the influence of Communism as potent as in Germany, where at one time the partisans of Moscow polled as many as 6,000,000 votes. And nowhere has the reaction to Communism been as bitter and deep as under Hitlerism. Throughout the rise of Fascism there has been a corresponding decline in the Communist International. In fact, the wane of the latter has been the gain of the former. In proportion to the strength of Communist movements has been that of the Fascist reactions.

The millions of German Communists and Red sympathizers are now enlisted in the ranks of the Nazis. This process started long before Hitler assumed power. The adventurous elements which join both movements shift their allegiance whenever the prospects of success seem brighter for one or the other side. Before the Nazi triumph, a German newspaper published a cartoon showing a contingent of Storm Troops marching through the streets. A member of the Communist "Red Front" was looking on, making the observation: "I know them all. They were all in the 'Red Front' when I was in the Storm Troops."

A glance at the dictatorship map will indicate that so far neither Fascism nor Communism has been able to win where democracy has been entrenched for a long time. Only where democratic government was young or where absolutism was an ancient heritage, has contemporary dictatorship arisen. Perhaps Switzerland, with its proximity to Italy and its large Italian population, offers the most striking illustration of invulnerability to Fascism. Similarly, the Scandinavian countries have so far successfully resisted the influences of Soviet Russia and Nazi Germany.

France provides evidence that Communism is the forerunner of Fascism, and that the two are in a measure interdependent. In 1928, the Communists obtained 1,100,000 votes in the national elections. Four years later, they suffered a loss of 300,000 ballots. Strangely enough,

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strength of Communism in England may be computed at 300,000. It is remarkable that Mosley's Fascist army now claims to possess an equal number of followers. Many of the leading militant Laborites have joined forces with Mosley, who himself is an offspring of the ultra-radical wing.

Perhaps the Fascist bugaboo in the United States can be measured by the strength of our Communist "menace." At the height of prosperity, in 1929, the membership of the Communist Party in this country was 15,000. After four years of the worst depression in American history, in the course of which the oracles of Moscow on this side of the Atlantic prophesied the momentary collapse of the social system, the Communist membership stood at 7,000. In the Presidential elections of 1932, the Communists polled 102,000 votes, as against 885,000 given the Socialists, out of a total of nearly 40,000,000.

Given a labor movement which has been taught to mock at democracy and to make a fetish of dictatorship, and the first ingredient for the compounding of Fascism is there. Given a democratic government which flounders about in the face of urgent social problems, and the second ingredient is at hand. Wherever parliamentary rule is on the defensive, the forces of dictatorship take the offensive by attacking from both flanks, the Communist and the Fascist.

That the ultimate victory has in the last twelve years gone invariably to the Fascist tide in the West is generally attributed to the hold which it has on the middle class. That class, long ground between the upper and nether millstones, has found its seeming savior in Fascism. The latter brings to the great middle stratum of society a rekindled nationalism, a promise of grand empires. The military aspects of Fascism, as symbolized by the shirts of various colors, stand for a patriotism of aggrandizement which compensates for the untenable economics of its rule. Hence, the stirring response of youth everywhere to the Fascist war cries.

The various nations in Fascism's camp pursue clashing ambitions. Its varied shirts are not accidental; they represent conflicting aims. In the international arena, all the Fascist countries, with their total populations of 185,000,000, lack unity of purpose. Fascism may be a menace to the theory of representative government, but it is no menace to the foreign powers of democratic persuasion.

The Fascist states are divided among themselves. In the sense that all dictatorship is an expression of national inferiority, Fascism like Bolshevism is a phenomenon of either poor or defeated nations in need of a protective armor. Mussolini's triumph was undoubtedly facilitated by discontent in Italy with the share of the war spoils allowed her. Similarly, the Versailles Treaty contributed heavily to the Nazi victory.

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The Fascist tide has followed in the wake of Communism. Variegated as the Fascist governments and movements are, they all have in common a violent hatred of Bolshevism. Yet common to both Fascism and Communism is an even more violent hatred of democracy. The latter is the springboard for all contemporary dictatorship. The destruction of parliamentary government and individual liberty is the first premise of either Communism or Fascism.

The progenitor of Fascism was the Communist International set up by the Moscow dictators at the beginning of 1919. At that time, Bolshevism started out to conquer the world. The methods it employed consisted of the abuse of democracy, the wrecking of socialist labor unions and political parties, conspirative propaganda, terrorist tactics in combat, and military forms of organization. These methods were all adopted by Fascism.

Mussolini was the first to emulate Lenin. The Communist International had a powerful following in Italy. The revolutionary forces there had succeeded in discrediting democracy and were preparing, at the behest of Moscow, for a coup d'etat. Mussolini took advantage of the soil for dictatorship so well cultivated by the Soviet propaganda. He had discovered previously that the nationalist appeal was stronger than that of internationalism. And he found later that labor, once impregnated with anti-democratic ideas, will don black shirts just as readily as red uniforms.

Nowhere in the Western world was the influence of Communism as potent as in Germany, where at one time the partisans of Moscow polled as many as 6,000,000 votes. And nowhere has the reaction to Communism been as bitter and deep as under Hitlerism. Throughout the rise of Fascism there has been a corresponding decline in the Communist International. In fact, the wane of the latter has been the gain of the former. In proportion to the strength of Communist movements has been that of the Fascist reactions.

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France provides evidence that Communism is the forerunner of Fascism, and that the two are in a measure interdependent. In 1928, the Communists obtained 1,100,000 votes in the national elections. Four years later, they suffered a loss of 300,000 ballots. Strangely enough, the total strength of the three quasi-Fascist organizations in France on the eve of the recent riots has been estimated by the authorities at 330,000. The Italian and German experiences would tend to show that a large number of the Fascist adherents came originally from the Communist ranks.

The weakness of all Fascist adventures in England to date may be partly explained by the corresponding weakness of Communism in that country. During the British General Strike in 1926, the British Communist Party numbered but 10,000 members. In 1930, the membership declined to less than 3,000. There has been a slight increase since then. In the parliamentary elections held in 1931, the British Communists secured 75,000 votes, as against 6,642,000 obtained by the Labor Party. If the Independent Labor Party with its Communist proclivities be taken into consideration, the strength of Communism in England may be computed at 300,000. It is remarkable that Mosley's Fascist army now claims to possess an equal number of followers. Many of the leading militant Laborites have joined forces with Mosley, who himself is an offspring of the ultra-radical wing.

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Deutsche Wacht am Goldenen Tor

Die Sportabteilung der Ortsgruppe San Francisco, Cal

Under the Nazi swastika emblem and the American flag, the "sport battalion" of the San Francisco Local is pictured above. The title is: "German Guard at the Golden Gate"

International

In the Reichshalle, shown in photo above, the Chicago organization held its meetings and learned Nazi teachings

HITLERISM INVADES AMERICA

(CONTINUED FROM PAGE 6)

as saying that "besides advocating that every citizen possess a rifle or some other weapon when the time comes, it (the Order) has a regular program drawn up for use by Americans in case of revolution, something like the list of things to do for drowning men or people accidentally poisoned drawn up by the Red Cross. All members are advised to have supplies of food on hand always, and to fill available receptacles with water at the first revolutionary mutter."

To TODAY he said:

"Our aim is to combat false propaganda by Communists and Jews." Then he added: "Not that we hit every Jew merely because he is a Jew."

Capture of the German-American Societies

MORE than any other Western people, perhaps, the Germans are race conscious.

They take their own ways of life and habits of thought with them to other lands. They want their father tongue in their churches and their newspapers. In their social affairs and their business relations they want, and have, their *bunds* and their *vereins*. Their customs hold often through the second and third generations.

This is notably true in the United States, where in New York City alone the German-American Conference embraces twenty-one associations, with 380 subsidiary organizations. The Steuben Society, which is national in scope, lays claim to a membership of 3,500,000 in the German groups that are affiliated with it.

The German Government has always maintained the closest and friendliest relations possible with such societies and leagues in other lands. Under the Hitler regime this relationship has been made still more close. In the Nazi Party there is the *Auslandes Organization* (first known as the *Auslandes Division*) whose sole function is to deal with Germans abroad.

When the time came for work to be undertaken in other countries, in behalf of the Hitler regime and of the Nazi Party, it was inevitable that the United States would be first on the list.

The census of 1930 showed 6,873,100 persons of German stock here, with an additional 1,608,800 of German birth. It was as inevitable that the work would be started among the organizations already existing.

This is the procedure that was followed. After the missionary travels of the "land-viewers" described in the first article of this series, came a systematic campaign to capture control of established German and German-American societies.

Scores of these throughout the United States have been captured—some peacefully, some literally and only through the use of strong-arm methods. A complete roster has never been compiled except, presumably, by the Friends of the New Germany.

It is possible, however, to set down the names of those that have been listed in the official Nazi organs—*Amerikas Deutsches Post*, until last September, and the *Deutsche Zeitung* since then. In these newspapers announcements appear from time to time that thereafter official news regarding such-and-such organizations will be published exclusively in their columns. Nazis and Nazi sympathizers thenceforth take these organizations as being identified with the Party.

Thus listed have been the United German Societies of New York (reduced from their former membership of seventy-six organizations to fifty); the Steel Helmets, the German Legion, the Austrian German War Veterans of New Jersey; the Russian German Alliance, the Germanic League, the German-American Citizens League of Chicago; the German-American Commercial League and the V. W. A., its women's auxiliary; the German-American Business Men's Protective League, the D.A.W.A. (which is really the German-American Economic Committee, but which has been nicknamed the Deutsche Amerika Wacht Auf, or German-America Wake Up); the German-American War Veterans of New York, the German Boy Scouts League, and the League of German Youth in the United States.

Listed also will be found thirty-two social, professional and sports clubs and societies. Among them are such diverse bodies as the distinguished German Club of New York and the German-American Athletic Association; the German Registered Nurses Association and the German Chauffeurs Club; the German University Students Club of New York and the International Short-Wave Club of Klondyke, Ohio; the Berlin Club and the Saarlanders; the Harlem Schuetzen Corps and the Shottener Maennerchor.

THE campaign of capture began with the Teutonia Club of Chicago, whose first president, Fritz Gissibl, became for a time national leader of the Nazi movement in this country. Few difficulties attended this capture, and from the Chicago "cell" went out many men to achieve distinction among Nazis, both nationally and in other cities.

In New York City the way was not so smooth, and in the course of the campaign the Nazi organizers found it necessary to use extreme methods, even to calling in uniformed Storm Troopers.

Not all the difficulties that attended the work in New York, however, came from the unwillingness of established German societies to be tied into the tail of the Nazi kite.

In the beginning, especially, there was bitter rivalry for control of the area. It came to a climax early in the summer of 1933. In May, Heinz Spanknoebel went to Germany and in his

International

A group of Nazi organization members, including these leaders: Fritz Gissibl, second from left; Heinz Spanknoebel, second from right; Walter Hentschel, third from right; and Arthur Doering, extreme right

absence Gissibl and Walter Kappe, from Chicago headquarters, sought to bring the New York "field of activity" firmly into their grasp. In promise, at least, it was a rich field, embracing Maine, Rhode Island, New Hampshire, Vermont, Massachusetts, Connecticut and New Jersey, as well as New York.

Within a month the situation had become so involved that Hans Strauss (whom Spanknoebel had named as national treasurer and whom Gissibl and Kappe were using as their national secretary) was writing to the "Local Group, New-York":

"I beg you, for the interest of the National-Socialist idea, to do everything in your power to end the ugly fight for the key positions in New York. Party-Member Weidemann, the German representative to the Chicago Fair, will shortly inspect the Ogru (intelligence section) in New York. Save him, please, the disagreeable picture of discord in our own ranks, and try to agree on a leader by the time he gets here.

"From now on, discharge every doubtful person. Anyone who will not subordinate himself to the leader is not a Nazi, and never has been one."

No leader could be agreed on, however, and the rivalry in New York continued until (as has been told already) Spanknoebel returned from Germany in July, attended the national convention in Chicago, established himself as national leader, discarded the two-months-old name *Deutscher Volksbund* (which was officially translated as Friends of Germany) for League of the Friends of the New Germany, and came back to New York to open headquarters at 23 Lexington Avenue.

Spanknoebel took the New York leadership himself. He moved with directness.

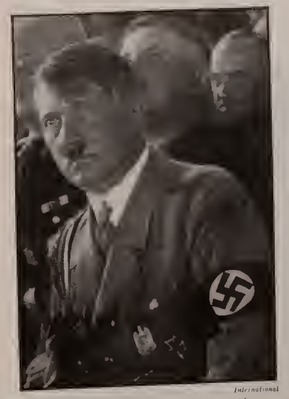
First of all, he visited Bernard H. Ridder, president of the *New Yorker Staats Zeitung*, whom he called upon (he did not ask) to support the work of organization in that newspaper.

What happened was told by Mr. Ridder in an affidavit on October 27, last. Mr. Ridder swore:

"Spanknoebel stated to me at the office (of the *Staats Zeitung*) that he had been selected in Berlin to be the leader of the Germans in this country and to take charge of German affairs in this country. He exhibited paper writings to the effect that those were his credentials, the paper writings examined by me being apparently an official form to the effect that he was authorized by the German Government in behalf of the Press Section so to act, and thereupon attempted to give directions to me as to what was to be excluded from the said publications (the *Staats Zeitung* and the *New Yorker Herold*)."

Spanknoebel was shown the door.

The American *Fuehrer* turned then to the United German Societies of the metropolitan area. He was coolly received at most of them —in some because they looked with disfavor on both Hitler and the Nazi Party for reasons of tradition; in others because of strong Jewish elements in their membership.



International

Adolf Hitler, Chancellor of Germany, as he listens to a speaker at a Nazi Party congress

There were instances, as well, of members of the societies who, because of business and family connections in Germany, were willing enough to join, and did join, the Friends of the New Germany, but who were not acceptable to the Friends. It was against such as these that E. W. Bohle, leader of the Division for Germans Living Abroad of the National-Socialist German Workers (Nazi) Party, issued his notice of June 26, 1933.

This notice ended, as of July 1, 1933, the admission of all new members except those "for whom guarantee can be given that they are really valuable co-workers for our Cause.

"Under all circumstances," the notice continued, "it must be avoided that *konjunktur-athleten* (band-wagon jumpers) are given a chance to get into our movement by the back door. I therefore make it incumbent upon the leaders of locals to examine the applications of new members in the most thorough manner and forward only those applications for which the leader of the local himself guarantees the qualification of the fellow-German in question."

Through August and September, Spanknoebel waged a steadily more vigorous campaign to capture the societies in New York. He made progress, but not always by verbal persuasion alone. Storm Troopers in uniform (these uniforms had first been worn publicly in New York on the preceding January 31, the day after Hitler was made Chancellor of the Reich) accompanied him on his rounds, and there was meeting after meeting in which the Troopers took more than a merely passive part. More than one vote was changed by their presence—and their arguments.

In October, Spanknoebel came within arm's length of triumph. The mayor of the city agreed to approve a meeting that was to have been, it appeared later, the climax of the whole campaign. Had it been held, no doubt could have remained in the minds of those who were still recalcitrant—or in Germany—as to the standing of the Friends of the New Germany in New York City.

But those still recalcitrant forced a hearing

(CONTINUED ON PAGE 28)

(CONTINUED FROM PAGE 27)

of their side of the case. The mayor presided at this hearing. Victor F. Ridder, a brother of Bernard, was one of those who testified.

"His (Spanknoebel's) position in the German-American organizations," he said, "is merely that of a terrorist. When, in three months, he obtains such domination in certain German-American organizations by his methods of terror that the decent German element cannot attend meetings, then we have a right to ask for protection against that kind of a man.

"His group issued orders to our societies that they were to drop their Jewish members. By virtue of his turbulent crew, he prevents men who have devoted their lives to the activities of German-American organizations from carrying on their work and brings about, by his methods, the resignations of officers of the societies."

Dr. Fritz Schlesinger, treasurer of the United German Societies, was one of those who had to resign.

"Every meeting of the Societies," Dr. Schlesinger declared, "between September 18 and October 25, was terrorized by the orders of Spanknoebel and Erich Wiegand."

He added that Dr. Ignatz T. Griebl, leader of the New York Local, had tried to put Victor Ridder out of one meeting by force.

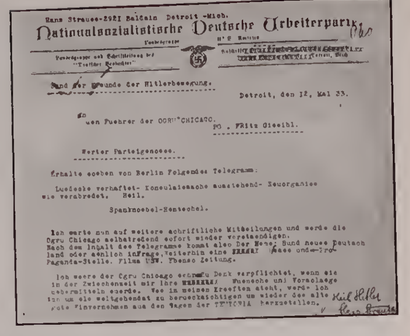
REPRESENTATIVE WALLBERG, of the German-Lutheran group in the United German Societies, told of a meeting in October at which 150 delegates were present. He said that Spanknoebel gave them this warning:

"We have 400 Nazi Storm Troopers ready with blackjacks to kill anyone who disturbs our meeting."

The great meeting on which Spanknoebel had set his heart was not held. More than that, his work in New York came to an end as a result of this testimony, for, as has been told already, a warrant for his arrest for acting as an agent of a foreign government without being registered was issued, a United States grand jury indicted him on this charge and, before he could be taken into custody, he disappeared from New York and from the country.

There exists a court record of a like attempt to transmute the German-American Alliance of Los Angeles into a Nazi "cell."

A year ago this month, a local of the *Deutscher Volksbund* was organized in Los Angeles. Among the organizers was the Robert Frederick Pape, who already has been described in this series as a retired captain of the German Army, receiving his pension throughout the three years of his stay in this country. At the close of the convention held in Chicago last July, Spanknoebel commissioned Pape to take over the organization of the Friends in Southern California.



Spanknoebel and Hentschel had wired from Berlin that Ludecke had been arrested there and that a reorganization of the Nazi organization in the United States had been agreed upon. Hans Strauss wrote to Fritz Gissibl, leader of the Chicago Local, in the letter shown at right. A press and propaganda office, a newspaper and use of films were planned, he said

Hans Strauss-2521 Baldwin Detroit-Mich.

Nationalsozialistische Deutsche Arbeiterpartei

Bund der Freunde der Hitlerbewegung.

Detroit, den 12. Mai 33.

An
den Fuehrer der OGRU"CHICAGO.
PG . Fritz Giesibl.

Werter Parteigenosse.

Erhalte soeben von Berlin Folgendes Telegramm:

Ludecke verhaftet- Konsulatsache unaufsehend- Saurorganisa
tion verabredet. Heil.

Spanknoebel-Hentschel.

Ich werte nun auf weitere schriftliche Mitteilungen und werde die Ogru Chicago selbstredend sofort wieder verstaendigen. Nach dem Inhalt des Telegramms kannt also der Werte Bund neues Leutun lapd oder sonstiges Frage.Leiterin eine ERKEKT Akse ondorige Paganda-Stelle. Films USW. Thenso Zeitung.

Ich weere der Ogru Chicago ersuchen Deux verpflichtet, wenn sie in der Zeitschrift mir Ihre ERKEKKE/ Personche und Forslage übermittelt werde. Sie in meinen Kraften steht, werde ich ihr um sie weitgehendst zu unterstuetzen um wieder den alte rote Flaverrahmen aus den Wagen der DEUTSCHE herzustellen.

Heil Hitler
Hans Strauss

A demand that the New York Local members end discard in the ranks over key positions was contained in the letter (above), written by Hans Strauss. He says, in part: "The one who does not want to subordinate himself to the leader is not a Nazi and never has been one." The letter also says: "I beg you, for the interest of the National-Socialist idea, to do everything in your power to end the ugly fight for the leading (key) positions in New York. Party-member Weidemann, the German representative to the Chicago Fair, will shortly inspect the Ogru (intelligence group) in New York. Save him please the disagreeable picture of discord in our own camp and try to decide on a leader by then."

Friends of New Germany, Ladies Auxiliary of Friends of New Germany, and Storm Troops of Friends of New Germany and their members, purpose by secret and insidious propaganda to undermine and weaken the orderly functioning of the established system of government in these United States, all of which is contrary to the aims and purposes, objects and ideals of said (German-American) Alliance, and if said last-named defendants are permitted to become members of said Alliance will tend to prevent, subvert and prostitute the aims, purposes, objects and ideals of said Alliance;

"That said defendants, Hans Winterhalder, Paul Themlitz, Hermann Schwinn and Karl Specht, are not citizens of these United States, nor have they, nor either of them, filed their declaration to become citizens; that on the contrary they are, and each of them is, a paid agent of the German Government, residing in the City of Los Angeles, California, carrying on said secret and insidious propaganda."

THE suit came to trial on January 15, last, before Judge Guy Bush. It continued for two weeks. Judge Bush then found for the defendants on the purely technical ground that Deissler and Lenhardt, being members of unincorporated bodies, were unable legally to maintain an action. The testimony given during the trial was revelatory.

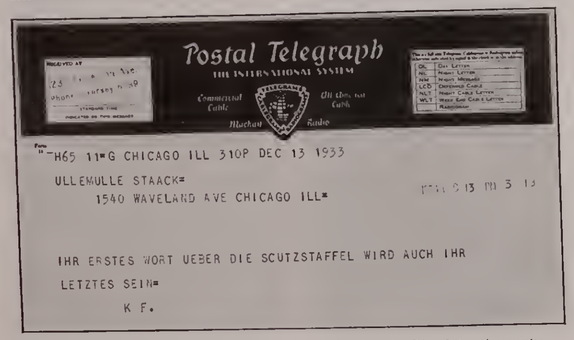
Pape was one of the witnesses. He conceded his membership in the Nazi Party, as well as the fact that he had not made application to become an American citizen, although he had entered the United States under the immigrant quota. He told, too, of having been appointed by Spanknoebel (whom he called "the commander-in-chief") to be in charge of organization of the Friends of the New Germany.

"Did he ask you about your allegiance to Germany?" Pape was asked.

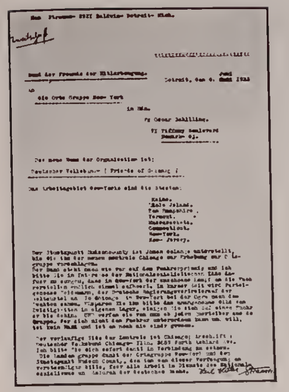
"He didn't ask me that," Pape replied. "He knew I was, and I am, a German citizen. I am only a visitor here. I am loyal to my country."

Pape testified that he was responsible, as leader, for the formation of the *Sport Abteilung* of the Friends of the New Germany, appointing Karl Specht leader of this group, and telling Specht to train them as flag-guards, "so that there would be a good impression when they marched into a meeting." He denied that the group had any military purpose.

A different description of the "S. A." was given, however, on the witness stand by Major C. Bert Allen, one of three American officers who undertook to investigate Pape's activities. Major Allen, who wears the Distinguished Service Cross, is State Adjutant of the Disabled American Veterans' Association, Department of California. Testifying in regard to Dietrich



The telegram reproduced above, sent to Ullemulle (Ulrich) Staack, reads: "Your first word concerning the Schutz Staffel (Support Squad) will also be your last." The telegram was sent at a time when Staack's loyalty to the Nazi organization was believed to be in doubt



Gefken, a member of the "S. A.," Major Allen said:

"He (Gefken) said—and that was practically what we talked on all the afternoon—that the Friends of the New Germany was in the nature of a covering organization for the activities of the Storm Troops, or 'S. A.' . . . They believed that America was on the brink of a revolution, because of the economic condition here, and they proposed to step in at that time and do as Hitler had done in Germany and take control; that every man in the Storm Troops, the 'S. A.,' was thoroughly drilled individually and that each one of them would be sent out and instructed to get six or eight men of the same qualifications; and among the qualifications was that they must have been born in Germany, read and write and speak the English language, and must be of pure Aryan stock and must not be too old to bear arms. He said that those men would spread out like the web of a spider; they would go out and take control of seven or eight more men and drill them in certain, designated areas."

Major Carl J. Sunderland, U.S.A., retired, an associate of Major Allen, testified that Gefken told him he had served in the 159th Infantry, California National Guard, at San Francisco. Major Sunderland added:

"He told me that it would be all right for any of them to make application for citizenship in this country and that if they did complete their citizenship in this country that when they returned to Germany they would be restored to complete German citizenship."

"Irrespective of their oath of allegiance to the American Government?" he was asked.

"Yes, sir," replied Major Sunderland.

Specht, describing himself as German-born, and a German veteran of the World War, testified that after he had been appointed leader of the "S. A." by Pape he obtained from an officer of a German vessel a copy of the official regulations for drilling the *Sturm Abteilung* (not the *Sport Abteilung*), and followed these in drilling the thirty-six men under his command.

Schwinn, who was treasurer of the Los Angeles Local of the Friends of the New Germany, testified that in September, within a month after its organization, it had "approximately 320 dues-paying members."

Questioned as to the organization's distribution of propaganda, Schwinn said that he had regularly received printed matter, ranging from one or two leaflets up to several thousand, from German vessels entering the port. These pamphlets, he said, were supplied by the *Fichtenbund*. (The *Fichtenbund*—although this was not brought out at the trial—is the Nazi propaganda bureau at Hamburg.)

Themlitz, also German born, testified that in April, 1933, he opened the Aryan Book Shop for the distribution of such literature.

Winterhalder testified that he had assisted Pape, Themlitz and Schwinn in organizing the Friends of the New Germany. He knew, he said, that neither Pape nor Spanknoebel was an American citizen. He admitted that although he had applied for his first American citizenship papers he retained his membership in the Nazi Party.

Winterhalder, like Themlitz, flatly denied the testimony of Major Sunderland that in September Pape, Winterhalder, Schwinn and Themlitz had told him of their plan to get control of the German-American Alliance.

The third of the American veterans who interested themselves in Pape's activities, Capt. John H. Schmidt, was born in Germany and served in the German Army in 1890. He came to America in 1903, was naturalized in 1908, and entered the United States Army in that year. He served in the World War, with the American forces, and attained his captaincy there.

Captain Schmidt testified that Pape told him that Spanknoebel had been appointed commander-in-chief of Nazi activities in America by Dr. Goebbels, Minister of Propaganda. Pape displayed to him documentary orders issued to Pape by Spanknoebel, Captain Schmidt said.

Captain Schmidt described a visit he made, in company with Schwinn, to the German freighter Este, on August 30, 1933, at which he was introduced to petty officers of the vessel.

"They talked very much about the progress they were making over here, and about being able to get the veterans into their organization and having them support the Friends of the New Germany," Captain Schmidt testified.

Captain Schmidt declared, too, that Winterhalder and three other members of the "S. A.," Gefken, Geistbeck and Zimmerman, had told him that they intended to join the National Guard.

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Rejoinders to First Article

THE editors of TODAY on March 20 sent telegraphic invitations to leaders of Friends of the New Germany and others mentioned in the first installment of *Hitlerism Invades America*, offering them the opportunity of rejoinder.

Among them was H. P. Lohmann, who was mentioned as the leader of the San Francisco Local and as having installed the Oakland, California, Local. The article further said that Baron von Rechenberg was chief of propaganda for the San Francisco Local, and that the Local had Storm Troops and an elite unit of forty men belonging to the black-uniformed Hitler special guards.

Mr. Lohmann wired, March 26: "Replying your telegram local Nazi group non-existent. I am leader of the Friends of the New Germany. We have no Storm Troops and no elite guard unit but a sports and social division. Baron von Rechenberg has been lecturer on international affairs for many years and is not now a member of our group. Friends of the New Germany also have a local unit in Oakland and members of both groups are frequently invited to talk on the New Germany before clubs, societies, lodges and other organizations."

George Froboese, mentioned as head of the Nazi "cell" in Milwaukee, where, it was said, Nazi agents had taken over the German Steel Helmets, the German Legion of Honor and the Order of German World War Veterans in extending their campaign, wired, March 26:

"All statements untrue. Nobody has permission to use my name in connection with statements set forth in your telegram."

In Philadelphia, the article stated, the local is headed by W. Aldinger and has a membership which is variously estimated at from five hundred to five thousand. Mr. Aldinger wired, March 26:

"Referring to your telegram of today, I like to know the magazine and the person responsible for the article. I am American and a Republican. Am member of the American League of the Friends of Germany but not the leader. Membership number is fantastic and article obviously propaganda against the German element in the United States."

The Cincinnati group is headed by A. Knoedler, the article stated. Mr. Knoedler sent the following wire, March 26:

"There is no Cincinnati Nazi Lokal as you claim. There is, however, a lokal group of the Friends of the New Germany, but I am not their leader."

(MORE ON PAGE 30)

Members of the Nazi organization in Los Angeles include the three men shown above: (left to right) Armin Wolter, Fritz Dachs and Ludwig Winterhalder

Plots: Strictly Private

New national Nazi leader likes secrecy and sentries

By JOSEPH M. CLARK

REINHOLD WALTER, elected national and New York leader of the League of the Friends of the New Germany on March 27, believes in regimenting his forces and in surrounding himself and his movements with secrecy.

Open the door to any of his several addresses, and there stands a sentry. At each address you find a different sentry. They all speak with German accents. They are not armed. They do not wear uniforms—but they are there to prevent you from seeing Mr. Walter. They protest that he is not there; that he is not likely to return; mail may be sent to Mr. Walter at 308 East Eighty-sixth Street, New York City. They tell you he sometimes calls for it there and sometimes sends for it—"Any message, please?" But messages are to little avail. Mr. Walter plainly doesn't want publicity.

The strapping young men who guard the Walter doors will tell you almost anything to get rid of you. They'll even pretend to be friendly and helpful. But they only help in maintaining the secrecy with which their leader has chosen to surround himself. He maintains establishments at 420 East Eighty-fifth Street, at 805 Fairmount Place, as well as the office on Eighty-fifth Street, and one in Brooklyn. These addresses are known, and there have been intimations of others.

Walter was elected to succeed Fritz Gissibl at a meeting held immediately after Nazi sympathizers had been notified that the first revelation of their activities in the United States would appear a few days later in TODAY's issue of March 31.

In his statement at the March 27 meeting, Gissibl said his resignation was prompted by a proclamation from "the Great Leader," Chancellor Adolf Hitler. The proclamation, Gissibl added, directed that all persons who wished to remain members of the National-Socialist Party of Germany be barred from membership and office in the League. Bund der *Freunde des Neuen Deutschland*. He does not want to resign from the Party, therefore he is quitting the Friends. He intends to return to Germany shortly to aid in the development of the Third Reich.

Gissibl said that "the Great Leader" was meeting charges that the Nazi Party was operating outside of Germany by issuing the decree.

Gissibl became national leader of the Friends for the second time following the disappearance of Heinz Spanknoebel last October.

Mr. Walter had held other offices in the League, and was qualified to fill the presidency under the new Hitler order, having become a citizen of the United States seventeen years ago, eleven years after his arrival in this country, it was announced.

The session at which Walter's unheralded election took place was called as a meeting to protest the anti-Nazi boycott. Plans were announced for a campaign to enlist 750,000 New Yorkers of Teutonic extraction in the German-American Protective Alliance, a counter-boycott organization. The counter-boycott plans were revealed by Carl Nicolai, official of the United German Societies.

The League is "in a flourishing condition," Mr. Walter told the meeting, which was punctuated by shouts of "Heil Hitler!" and closed with the singing of "Horst Wessel," the Nazi Party song. Virtually all the speeches made were bitter denunciations of Jews, who were blamed for many of the difficulties of "the Fatherland." Almost twenty-five hundred persons cheered the speakers.

The first thing one hears from any of the members of the boycott group is that their organization is "in no way political." They repeat that, over and over.

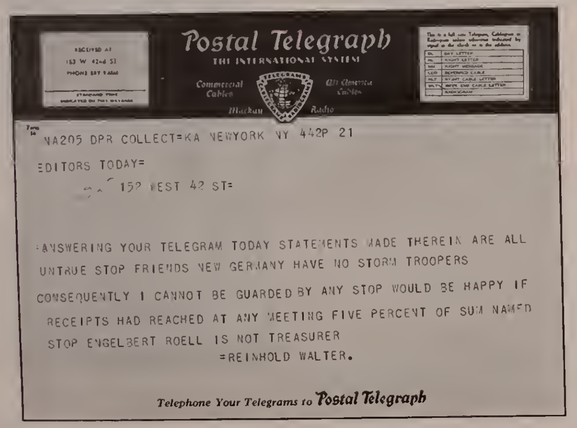
They also protest that activities of the Friends of the New Germany are not political, either; that it is merely an organization of persons with a common background and interests—who do not want others in the United States to know what they are doing. They even admit that they are adverse to publicity, and say that they "have other ways of enlisting persons with the influence we need."

The League has semi-public meetings each Tuesday night; the same group sponsors other meetings in the metropolitan area and adjoining districts throughout the week, but these are strictly private, and all plans remain secret.

A VISITOR might gain the impression that these persons, although adult, are playing a game, that they are merely dramatizing their fraternal intrigues. But that impression is temporary; strangers in their sections of New York are quickly noted and their movements are checked; the members are too earnest for a game.

Here and there a hint is dropped by a sentry or contact man which shows that the Friends mean business and are very active about it. At the office at 308 East Eighty-sixth Street, one finds a well-dressed and courteous young man who says that it is almost impossible to reach Walter—which is correct. He is one of those who wear the button of the recently-formed Protective Alliance, as do Walter's guards, whom you find just inside the front doors at his various addresses.

The office offers the services of a translator, notary public and a German tourist agency. The young man in charge ignores all questions he does not choose to answer, but is voluble about what an injustice the Jews are doing to Germany in sponsoring the current boycott against Nazi-made goods. And he is positive that Mr. Walter does not want other residents and citizens of this nation to know what members of his organization are planning.



Postal Telegraph
THE INTERNATIONAL SYSTEM
Commercial Cables · All America Cables · Mackay Radio

NA205 DPR COLLECT=KA NEWYORK NY 442P 21

EDITORS TODAY=

152 WEST 42 ST=

ANSWERING YOUR TELEGRAM TODAY STATEMENTS MADE THEREIN ARE ALL UNTRUE STOP FRIENDS NEW GERMANY HAVE NO STORM TROOPERS CONSEQUENTLY I CANNOT BE GUARDED BY ANY STOP WOULD BE HAPPY IF RECEIPTS HAD REACHED AT ANY MEETING FIVE PERCENT OF SUM NAMED STOP ENGELBERT ROELL IS NOT TREASURER =REINHOLD WALTER.

Telephone Your Telegrams to Postal Telegraph

The telegram shown here was sent to TODAY by Reinhold Walter, now national leader of the Friends of the New Germany, in answer to the following wire:

"Reinhold Walter,
"805 Fairmount Place,
"New York City.

"Magazine TODAY in March 31 issue begins series of articles bearing title, Hitlerism Invades America. In first article statement is made that you are leader of Manhattan Friends New Germany Local that you are guarded by Storm Troopers and that receipts of Manhattan Local collections at meetings totaled one week in February thirty nine hundred dollars. And that Englebert Roell is treasurer. We shall be glad to have you telegraph us Western Union press collect any brief rejoinder you may wish to make to these statements.

"Editors, TODAY"

(The figure $3,900 in TODAY'S telegram was a typographical error, and should have read $1,900.)

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"United We Stand -- Divided We Fall"

Reproduction of the envelope of Silver Shirt literature sold at the group's meetings

"Silver Shirts, Arise!"

By FREDERIC A. STEELE

"THE membership of the Silver Legion of America already exceeds in numbers the combined forces of the army and police units of the United States."

"Forty thousand negroes in the Harlem section of New York City are equipped with firearms in preparation for the imminent Communistic spread of terrorism."

"We must take mass action against Jewry in public and private life."

"We are 100 per cent Americans."

•

That is the sort of thing one hears when attending, on invitation, a "semi-public" meeting of the Silver Legion in New York City.

It is the "Cohesion Committee" that invites you. If you are a New York subscriber to *Liberation*, "A Journal of Patriotism and the Higher Fraternity," published by William Dudley Pelley at Asheville, North Carolina, you receive a typewritten invitation to the meeting, signed "Cohesion Committee," with two initials in ink which you are unable to decipher. The invitation reads:

"A Discussion and Question meeting will be held to consider the work of the Silver Legion of America.

"You are most cordially invited to attend.

"Come to the building of the Restaurant Franzsikaner, 1591 Second Avenue, New York City, one flight up, rear hall, Wednesday, March 21, 1934, at 8:30 P. M.

"We desire to meet with you particularly.

"Please come, bringing this invitation with you to present at the door as your admission credential."

At the bottom, in capital letters, is the warning that you will not be admitted without showing this invitation. And you won't—you can be certain of that!

Restaurant Franzsikaner is on the ground floor at 1591 Second Avenue, between Eighty-second and Eighty-third Streets in New York City. At the right of the restaurant is a stairway to the meeting room of the Silver Legion. Beyond the threshold of the room, as a sort of reception committee, stand several stalwart youths of Silver Ranger caliber.

The newcomer is given a "once-over" that is little less than embarrassing. He is required to register his name and address. Then he is free to look about before the meeting begins.

In the center of a room capable of accommodating approximately 125 persons is a T-shaped table with white cover, at which are seated half of the more than fifty men and women who have come to attend the meeting. The other half occupy chairs against the walls.

Except for the half-dozen big young men who hover in the background throughout the meeting, it is a gathering of mature persons. Beside the center table are two expansive women, one a blond, the other a brunet, who nod vigorously in approval of everything said, and occasionally prompt the speakers.

An ideal chairman. Distinguished looking, with a mass of light hair and an I-do-believe-it air. His words tumble over one another.

Mr. Chairman praises Hitler—in a most casual way—as a world leader who appeared opportunely when a world leader was needed. He extols William Dudley Pelley, who launched the Silver Legion movement when Hitler became Chancellor of Germany. He denounces American newspapers and broadcasting companies, which, he declares, are in the hands of the "enemy." Mr. Pelley, he says, has been refused permission to broadcast. He stresses the necessity of enrolling for the coming concerted attack on Communism and the Jews, and he passes out blanks to be filled in by new members. Dues are $1 a month.

The chairman quotes freely from the March 17 issue of *Liberation*—one passage in particular in which it is declared that "it needs no further evidence at this moment to explain that Jews everywhere are ensconced in positions of power," and demands their "forcible removal" from office.

"The Jews are going to try to make a case against us by saying we are part of the Hitler movement. There are many former Germans here, yes; but that is because we are in Yorkville, a section of New York City that is strongly Teutonic.

"This is not a German movement. It is an Aryan movement.

"There is talk of an investigation. We would welcome an investigation. An investigation would swell our membership."

The chairman of the Cohesion Committee is called upon. Here, one immediately feels, is the brain center of the Second Avenue group of Silver Legion members. A man of experience. A man of assurance. A typical German. He tells, from first-hand knowledge, of the Communistic region of terror in Germany following the World War, and he declares that Communism has about reached the terrorism stage in the United States.

It is he—this Cohesion Committee chairman—who, with a glint in his eyes that he cannot control, places the number of enrolled members in the Silver Legion in the United States in excess of the combined forces of the army and police of the country. This is no threat, he explains. No, indeed; it is merely a statement of fact. The Legion will *aid* the army and the police—not *fight* them.

He it is also who, with the air of disclaiming personal responsibility for what he hears but yielding to the temptation to share his information, repeats rumors that already 40,000 men in Harlem's black belt have been supplied with guns and ammunition for the Communistic terror reign that is to come. This situation must be met. How? Not by individuals. By increasing the membership of the Silver Legion to a point where it will be master of the situation.

Happy over the way things have gone in the meeting to this point, the Cohesion Committee chairman sits down amid applause. Immediately he is upset over something the next speaker, a "100 per cent American" woman, says. She conducts a humane service bureau in Third Avenue and she is chairman of a state committee to save living dogs from experimentation. She has come to the meeting primarily to read the text of H. R. 1647. This bill, already passed by the House of Representatives, now is before the Senate. If it passes the Senate, this anti-sedition measure will put Communism out of business in the United States, the smiling little woman declares.

Then, in a thoughtless moment, she startles the chairman of the Cohesion Committee. She praises the Germans for "starting" the Silver Legion movement. He shakes his head vehemently in the negative, biting his lips.

The movement was not started by the Germans. It has nothing to do with the Nazi movement. To say so is to give a wrong impression, he mutters insistently and his eyes darken as he looks significantly at the chairman of the meeting.

The disturbing outburst continues, "When I describe what is going on, my friends say to me 'You are a Hitlerite,' and I say, 'Well, if this is being a Hitlerite, then I am one.'"

She has recently been visited by representatives of the Postoffice Department. To them she quotes herself as having said:

"I am an American citizen. I will join the Nazis if I want to. What are you going to do about it?"

After the meeting, the chairman of the Cohesion Committee calls attention to the book table, on which is displayed for sale, at twenty-five cents, a "kit" envelope headed "Halt, Gentile!" and continuing: "Act to Save Your Home, Your Family and Your Constitution. In This Envelope You Will Find The Truth About The Alien Bankers, Communists In Our Government, The Secret World Conspiracy."

The chairman of the meeting and his assistant are checking the roll-book. The Cohesion Chairman is speaking with the young man near the door. The vivisectionist may talk of Hitler, unmolested.

Labor Prepares

(CONTINUED FROM PAGE 9)

of the size and weight of the materials handled, and that these heavy industries can scarcely be models for those in which the work moves past the workman and the jobs may be infinitely divided and reorganized.

If the labor plan of the B. & O. shops were extended to the steel industry, more than twenty unions would expect to be represented on the committees; if to the automobile industry, at least fifteen unions in the A. F. of L., not including two or three outside organizations. Already the shop committees of the General Motors, no two committees alike in their structure, include unofficially members of two or three craft unions, the new A. F. of L. federal unions, two or three independent unions and informal organizations within the shop. The manufacture of a motor car employs some eighty major crafts, only part of which would be claimed by A. F. of L. craft unions, but it is obvious that craft union organization could not be followed rigorously.

A system of shop committees modeled on the railroad plan could probably be introduced into the steel industry if the large Amalgamated Association of Iron, Steel & Tin Workers were given control. While this union would claim most of the employes a score of other unions has jurisdiction there. The Amalgamated would like to have these relinquished. The trouble would come if the unions could not agree on the division of membership dues in the shop or whom each union represented. It is hard to see how a single agreement could be drawn up with a shop committee without suggesting that its best interests lay in keeping in touch with similar shop committees. Thus would the industrial union take form. Ties with the craft unions would loosen and the industrial or vertical unions would emerge, and the historic methods of labor evolution in this country would have been followed.

IF officers of present craft unions opposed the transfer of their industrial jurisdictions to vertical unions it is possible they might change their minds if they foresaw changes in union control. Several of the craft unions with ambitions in the manufacturing industries are primarily building trades organizations. If the electrical workers, for example, were able to organize the electrical shops their union would cease to be controlled by the electrical workers in building construction. The electricians of industry would take over the union.

Even so, it is likely that workers in the manufacturing industries will control the A. F. of L. and its executive council by 1936 or 1937. Unless it keeps the industrial workers quarantined in little federal unions out of touch with one another, they will bring to an end the forty-year domination of the building and label trades, as they almost did just after the World War when the membership of the A. F. of L. was last at four millions.

It is always possible, of course, that the A. F. of L. will retire from the effort to organize manufacturing industries and become the federation of the skilled. This would leave the government with the problem of creating its own labor movement of the unskilled and semi-skilled or opening the way to various radical groups which have never been able to get to first base, unless, of course, the Administration abandoned the effort to solidify labor costs as industry's first charge or entrusted it entirely to codes. If the Wagner bill passes, with its definition of unfair practice among employers, it is certain to be followed by one defining unfair practice in union relationships.

What would happen if the A. F. of L. organized the automobile industry pretty thoroughly in its separate federal unions and then decided to split these and distribute the memberships among the internationals, such as the machinists, the electrical workers, and the like?

Craft sentiment among automobile employes is low, most of them are specialized machine operators and members of assembly lines, and the effort to divide them would be difficult, perhaps dangerous. There would always remain a substantial number of unassignable men, and their union could control the situation if it had government favor.

If this process resulted in jurisdictional quarrels and these took the usual course, the industry would be hampered by strikes. The National Labor Board sooner or later would compulsorily arbitrate these disputes, and the development of its policies as to jurisdiction would gradually redefine the labor movement in manufacturing. Those who wanted a fancy philosophical name for this process, we might direct to European countries where governments control social organization.

A LARGE automobile corporation which concluded that labor activities were coming anyhow might cause much commotion by offering publicly to recognize permanently one union and one only; or to deal with any recommended number of unions, provided it was protected against jurisdictional and departmental strikes. No organization of labor is prepared to make such a contract this Spring. The Labor Board or a separate mediation board would have to step in and organize its own union or else suggest to the employer that his requirements were too severe, that the best he could expect would be evolutionary development through discussion or conflict.

For such reasons the outlook is strongly for a degree of public direction of the labor movement. If labor has no policy, government will supply one. Dr. Lewis L. Lorwin of the Brookings Institution, author of a valuable book on the A. F. of L., has been forecasting a future for labor unions as quasi-public organizations. Some of William Green's statements suggest that this would not be distasteful to him.

There are, of course, alternatives. We might make a trial of shop federations or B. & O. plans, slowly working through their complications. Or the A. F. of L might shift its interest from craft organization in the old industries to vertical and inclusive unions in the newer ones. It is probably now doing so, though jealousies within the organization would keep its officers from admitting it. Or we might compel industry to reorganize its work into the forms it was taking a generation or two ago, thus dividing the manufacture of automobiles among separate machine shops, sheet metal shops, and electrical shops and leaving their assembly to contractors, much as the clothing industries are divided now. Or the A. F. of L. might give up the effort to control these great industries and leave them to industrial unions of the type which General Johnson seems to believe would be more militant than the A. F. of L. groups.

Or, which is more likely, we might go on arguing for several more years.

New Paths

(CONTINUED FROM PAGE 13)

I saw a hundred men working in an open field, and turned in. It was one of the smaller CWA projects. The mound was in a flat field that had been planted last year in corn.

The mound was being opened very carefully and scientifically, in the interest of the Smithsonian in Washington, and two archeologists had been lent, one I was told by the University of Michigan, the other by the University of Chicago. They were absorbed, happy men.

What interested me, got me fascinated, was the workmen, and what the two archeologists had found out about workmen. The workers on the job were hill billies, many of them supposedly stupid, illiterate men.

The two college men had not found them stupid. They had tapped something in the workers. This in a country of old feuds, of makers of moon liquor, of lynchings. How many men have told me, "You can do little or nothing with such people. They are poor whites, almost a distinct race. They are impossible." Doctor Coburn came up to where I stood on a mound of discarded earth.

The land on which the mound stood had been given to the government by the owner, a fairly well-to-do farmer, without cost . . . only . . . "You must give the work to my neighbors, on the hills around here."

The thought of what it must have meant to the workmen, at the beginning, the foolishness of it all, "Well, if the government wants to do it—it's the government's funeral."

"This silly business, authentic factual history of an ancient people. What t'ell? Give me a bottle of moon. That's authentic and factual enough for me."

But there had been something tapped, something old in man. The workmen on the job had quickly come alive with interest. Leaders had sprung out from among them.

I DARE say there had been, at first, patient explanation of the purpose of what was being done. I know there had been. I went at night to a country school house with the two college men, heard their patient explanation to men, women and children. They told me how they had gone for many such nights to many country school houses, into homes in the hills, calling meetings of the people and explaining.

And the workmen, these hill billies, had caught on. There was an intense absorption. How swift, how light-fingered they had become. Two or three foremen, also mountain hill billies, walked about. "We could almost go away and leave the work to them now." Eagerness. "Here is something unearthed. Handle it carefully. It may crumble away under your fingers. It has been in here, who knows how long, it may be a thousand years."

Old records of ancient men's lives. That didn't absorb me. When the work was done for the day, I followed a hill billie across a field toward a shed where tools were put away. "Did you find anything today?"

"No, sir, but I bet you I gits something tomorrow." He was like the rest of the workmen on the job, alive with interest. I thought of what so many people have told me concerning much of this CWA work, the work of the boys in the CCC camps. "It won't amount to a thing," many people keep saying. "If a man really wants work, he'll find it for himself. If a man is out of work, it is because he's no good."

There is plenty to be learned yet. I thought the two archeologists, working and living among hill billies, had taught me something that I would like a little to pass on to others.

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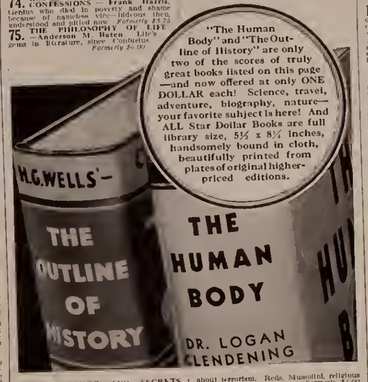

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TODAY

Raymond Moley, *Editor* ★ Vincent Astor, *Publisher*

Raymond Moley

Writes About

3 BRAINS TRUSTS

• • •

Third Installment of

HITLERISM INVADES AMERICA

By Samuel Duff McCoy

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

Today's Mail

SIR: The answer to the article *Who Will Control Industry?* in TODAY for March 17, 1934, is: "Whoever has the *right* to control it." If the government has any such right, where did it get it?

When and where and from whom did the government get any right to establish "the rule under which industry shall live"?

The question involved here is one of property rights, and, as in all other cases that may be in controversy between man and man and between man and his government, the evident facts in each particular case, and the legal effect of those facts are always controlling. When the government claims the right to control private property, it must prove its title and show from whom and where and when it acquired that right.

Where does the government get any *right* to say to any man what he shall do with that which is his own?

W. W. PEPPER

Little Rock, Arkansas

•

FOR FREE TRADE

SIR: In your issue of March 3, there is an article by Vincent Astor entitled *The Proper Name is Subsidy.*

This article contains a statement to the effect that the merchant marine needs and deserves support for the same reasons that manufacturers and farmers require and deserve the protection of the tariff.

What evil has the farmer done to deserve such protection, a protection which at his expense has built up a powerful industrial East?

Imagine how infinitely better off the cotton farmer of the South would be under free trade. He could and would raise and sell several more million bales per year than is now possible, provided he could take from the purchasers manufactured goods in return for his cotton. Only a high tariff prevents would-be purchasers of his cotton from supplying him with these at a cost below that which he now pays to the protected industries of our own country.

Mr. Astor's reasons for the granting of a subsidy to the merchant marine are much sounder than any he could advance for the placing of a protective tariff to benefit the farmer.

T. H. KERR

Dallas, Texas

•

WANTS DATE OF STROLL

SIR: Your magazine enjoys a wide interest among our resident readers of highly critical journals. I have been asked to take issue with Theodore Dreiser on the substance of the second section of his article, *Keep Moving or Starve.* Whether deliberately or not, Mr. Dreiser fails to give the date of his stroll "for exercise one brisk December morning," when he encountered the former school teacher of his story. Last December the Federal government had a program well under way which works toward the elimination of the necessity of moving from town to town in order to keep body and soul together. The country is dotted with bureaus where the transient population may come and stay indefinitely, where they may learn a trade, study academic subjects and fit themselves in many other ways for a better life.

ROBERT B. TROCHET

Transient Bureau,
El Paso, Texas

The Rev. John J. Wynne, S.J.

Toble of Contents — April 14, 1934

TODAY

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

Today's Contributors

HISTORY is the principal interest of Dr. John J. Wynne, a Jesuit priest, native of New York and author of the book review, *The Vatican—Yesterday—Today—Tomorrow*, in this issue. Dr. Wynne is the leader of a movement for the beatification of Tekakwitha, an American Indian woman, a member of the Mohawk tribe, who played the role of a near-martyr in aiding early Catholic missionaries in this country. Dr. Wynne has been a member of the editorial staff of the Catholic Encyclopedia since 1905, and has been writing and editing since his school days, spent at Xavier College and seminaries at West Park-on-Hudson and Woodstock, Maryland.

•

"SOMEWHERE in the neighborhood of fifty years ago," says Fred C. Kelly, "I was born at Xenia, Ohio." Kelly went to work as a reporter and progressed to Washington, then took up free-lance writing with notable success. He writes about people and dogs, barn-doors and chickens, mountains, cabmen and trolleys. At present he is a roving correspondent for TODAY, reporting America as he sees it on his leisurely excursion.

•

EDGAR LEE MASTERS, small-town boy, gives a picture of the early days in this issue of TODAY, in his description of the tragedy that befell Lewistown, Illinois. It was in Lewistown that Masters first began writing, upon graduation from high school. Peoria, Boston and Chicago newspapers accepted his poems and short stories while he was working as a reporter for the home-town weekly. Masters also found time to learn the printer's trade and to study law, but it was for his poems and stories that he became famous.

•

LOUIS WEITZENKORN, moving-picture critic for TODAY, is vehement in his declaration that he does not like Hollywood, even after three and a half years of successful professional endeavor in that California city. He returned recently to New York, scene of earlier work as reporter and newspaper editor. In New York, says Mr. Weitzenkorn, he intends to stay.

•

EDWARD RAYMOND BOSSANGE, architect and educator, has been dean of the College of Fine Arts at New York University since 1930. He came to New York University in 1926 to organize the architectural department along new lines. Before that he had been dean of the College of Fine Arts of Carnegie Institute of Technology at Pittsburgh, director of the School of Architecture at Princeton University, and professor of architecture at Cornell University. He was graduated from Columbia University and studied architecture for two years in Rome.

•

ISAAC DON LEVINE, Russian-born, educated in America and a newspaperman for twenty years, is a prolific writer on foreign affairs, his articles on the European situation appearing regularly in New York newspapers and national magazines.

•

SCHUYLER C. WALLACE, assistant professor of government at Columbia University, specializes in analyzing the New Deal. His unbiased descriptions of the trend of affairs in government and the probabilities of future development have gained wide attention.

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Drawn for TODAY by Sam Berman

The New Deal Includes the Views of Three Brains Trusts

One Brains Trust, with which Professors Tugwell and Berle and General Johnson may be identified, believes, within certain limits, that the government ought to go beyond the negative process of telling business what it ought not to do, and sit down with business and agriculture and attempt to provide a cooperative means of solving their problems. This is the basic idea embodied in the NRA and AAA. This idea of partnership does not mean regimentation.

In the second school of thought are those who believe in the strict regulation of business, the protection of the small unit, the enforcement of the anti-trust laws and the formulation of new regulatory measures such as the Securities Act and the Stock Exchange bill. In some respects this Brains Trust is legalistic. Those most eminent in its councils are lawyers—such as Professor Felix Frankfurtor, Thomas G. Corcoran, James M. Landis and Benjamin V. Cohen.

A third Brains Trust includes those who believe that the economic betterment of the people of the country depends upon an inflationary or reflationary monetary policy. Important among those who have held this point of view are Professors Warren, Fisher and Rogers. Their concern is in the readjustment of money and credit in order to provide a just means of compensation for the decline of prices and the increasing burden of debt throughout the country.

RAYMOND MOLEY
EDITOR

TODAY

A PERSONAL JOURNAL OF PUBLIC AFFAIRS

APRIL 14, 1934
VOL. I, NO. 25

A first-hand account of the growth of an idea confused by rumor, selfish interests and mythology

THERE ARE THREE BRAINS TRUSTS

By Raymond Moley

MUCH of the substance of this article I had not planned to write until, perhaps, in a comfortable old age, there should be time and mental bent for "recollection." But misapprehensions, constantly repeated of late, and reportorial imaginings have so blurred the picture of the immediate past that a faithful description of certain facts seems necessary to the current understanding of public affairs.

Nearly everybody in the United States, at various and sundry times, has been called a member of the Brains Trust. One commentator, for example, recently said: "To Washington the Brain Trust means Rexford G. Tugwell, Raymond Moley, Mordecai Ezekiel, Felix Frankfurter, J. M. Landis, Herbert Feis, Jerome Frank, M. L. Wilson, Thomas Corcoran, Stanley Reed, Winfield Riefler, Frederic C. Howe, Basil Manly, A. A. Berle, Jr., James Harvey Rogers, George F. Warren and a few others less known to newspaper readers."

The fact is that I know only six of these men well. Two others I have seen once or twice. Three I have met just once. And four I have never seen in my life. Hamilton Fish also has published a list of twelve members of the "Brains Trust," five of whom I have never met. The New York *Sun* lists ten, five of whom I have never seen. I am certain that a considerable number of the men mentioned in these various lists, likewise, do not know each other. Thus the published lists of the "Brains Trusters" are largely concocted out of the fevered imaginings of commentators.

Experts Invited to Confer

The answer to this and similar conjectures is that there is no single, cohesive Brains Trust. The term is applied loosely to many people and accurately to no group at all.

Long before the embattled Democracy in Chicago selected Mr. Roosevelt as its candidate, he asked the assistance of three men whom he jocularly called "The Privy Council." They were Samuel I. Rosenman, counsel to the Governor; Basil O'Connor, Mr. Roosevelt's former law partner, and myself. O'Connor and I regarded Rosenman as our chief and our means of contact with Mr. Roosevelt.

Louis Howe, all through this period giving his energy unsparingly to the pre-convention fight, advised us when time permitted. As I have learned through the years, his advice is always worth considering, and is often brilliantly right.

It was my task during the Spring of 1932 to seek out people expert in various subjects relating to policy. I would invite them to meet with Mr. Roosevelt in the Executive Mansion at Albany. In his study there, in the quiet of the evening, after his work as Governor of New York was completed and dinner was out of the way, the visitors would set forth to him their ideas on public questions.

I well remember the evening when Hugh Johnson first came to Albany for one of these sessions; we were all challenged by the obvious brilliance and sincerity of the man. He brought with him a document which he had written. It was the most penetrating review of the economic condition of the country that it has been my privilege to hear; but he had read it to me twice before, so I went upstairs while he declaimed it to the group in the Governor's study. Still I could not escape the third reading. The tremendous rumble of his voice came up to the second floor with a vast reverberation.

Of the great number of people who came for these meetings, the majority came only once because their contribution was highly specialized and one discussion was sufficient. A few, however, showed such a diverse knowledge of national economic problems that they gradually assumed a sort of permanent membership in the group. The most notable of these were Professor Tugwell, Professor Berle and General Johnson. The group thus completed was what Jimmy Kieran, a newspaper man, called the "brains trust," in September, 1932.

Sometimes this small group met with Mr. Roosevelt alone in the book-lined study at Albany. But more frequently, our function was to question and discuss the ideas of the others who were brought there. These others were by no means always professors. There were lawyers, business men, engineers, editors, doctors, farm experts and social workers. We questioned them, tried to test out their suggestions and to develop these suggestions whenever they seemed practicable.

Our group met frequently, too, in a suite of rooms that we had taken at the Roosevelt Hotel in New York. Hundreds of people came there to talk over ideas with us. These rooms were, in fact, the first place where ideas were sifted. We met almost continuously in an attempt to extract, from the flood of suggestions on economic rehabilitation that were current that year, those that might have substance.

From the very beginning, Mr. Roosevelt established the principle that a campaign for the Presidency involves two things: A vital organization of experieneed politicians to gather delegates, to organize members of the party, to send out speakers, and to perform the other functions so necessary to a campaign; and, separate from the campaign organization, a policy group reporting to the candidate and concerned only with the questions of national policy. Mr. Roosevelt determined that the two groups should be kept separate, each reporting directly to him. This distinction is important. It is of the essence that those concerned with policy should not be in any way influenced by the exigencies of the campaign itself, particularly the raising of money from contributors.

Organization and Policy Fields Divided

It is everlastingly to the credit of James A. Farley, the head, of course, of the campaign organization, that he regarded the distinction as necessary and proper. I remember one day when I heard the friendly voice of Mr. Farley shout at me clear across the lobby of the Biltmore Hotel, "Say, what about the women?" We talked "the women" over later and Mr. Farley expressed some concern because no direct appeal was being made to them on subjects especially related to their interests. When we had discussed the matter thoroughly and it had been decided that women were citizens and that the appeal should be made to citizens, men and women alike, Mr. Farley did not press the subject. He regarded that as a

matter outside of his jurisdiction. His conception of his function was so fair that if Mr. Roosevelt had decided to make his campaign on the basis of Milton's *Paradise Lost*, Jim would have mobilized his forces behind it uncomplainingly.

On the other hand, we regarded his authority within the field of organization as complete and absolute.

The process of sifting and collating advice continued, of course, when the candidate fared forth on his campaign trip. It was my function to go with him and serve as a research assistant. The rest of the group remained in New York and maintained contact with me by telephone and telegraph.

The supreme purpose of all this was to provide Mr. Roosevelt with a means of reviewing the most expert and the most accurate information on all of the national issues involved in the Presidential campaign.

This period of the New Deal might be appropriately called the phase of economics. We were all trying to help Mr. Roosevelt answer the questions in the minds and voices of the American people. "Why are we in this jam?" "What can the government do to help us?" It was a challenge to modern economic science. We felt that if economics could not answer this, it ought to quit its pretensions. Mr. Roosevelt carried this challenge of the American people, through us, squarely to the economists of the United States.

This was the reason for the existence of the Brains Trust, and when the need for this kind of a group service passed, the dissolution of the original Brains Trust took place.

The Law-Making Phase Begins

Immediately after the election, the work of law-making, the second phase of the New Deal, began. It ran through to the end of the One Hundred Days' Congress in June. But in the interregnum between the election and the inauguration, all energies were bent to a consideration of the means by which the promises of the campaign might be fulfilled by the actual making of laws.

During this period, the task at hand had grown far too great for any small group. My function ceased to be that of collaborator of a group and became that of a general helper for Mr. Roosevelt.

In view of the persistence of newspapers and the public in using the term "Brains Trust" loosely, I think that it is only fair to say that never, after the election of 1932, did Johnson, Berle, Tugwell and myself meet at one time. So far as I know, no three of us have ever been together since the inauguration, although individual contacts are frequent and friendly. It seemed to all of us that wisdom dictated that the group activities in which we had all participated should cease with the beginning of the new Administration.

I want to insist upon this point. It is important. We realized that no little group is wise enough or resourceful enough to formulate policies. The strands of policy must come from all directions and it is only the President who is able to bind these strands together into a unified policy.

After the inauguration, moreover, many of those who originally had helped were appointed to specific jobs. They found the requirements of these jobs so demanding that their contacts with other aspects of legislative and administrative policy became less and less frequent.

At this time there entered a new sort of expert worker. The science of law and legislation became more and more important. Those most useful to Mr. Roosevelt consisted not only of experts in economics, but lawyers and legislators. Scores of members of the Senate and the House, whose names are now familiar to the country, gave assistance to the President, as well as other advisers who contributed to the work of formulating legislation. Berle, Tugwell and Johnson all performed extraordinarily valuable services; Tugwell in cooperation with Henry Morgenthau, Jr., in assisting the responsible members of Congress in formulating the agricultural legislation; Berle in connection with railroads and general bankruptcy legislation; Johnson in a number of ways, finally culminating in his creation almost single-handed of the National Industrial Recovery Act. But it is only fair to say here that when the practical business of putting ideas into laws began, Congressmen and Senators became the dominating factors in the business of giving advice.

With the coming of the third phase of the New Deal, that of administering the laws in which the policies had been embodied, Tugwell, Berle and Johnson were thoroughly immersed in specific and separate tasks.

The Original Trust Vanishes

It is absurd to continue to talk about the activities of the original Brains Trust at any time after March 4, 1933. It vanished. If it has any meaning now, it applies only to a habit of mind of the President's which has properly been characterized by the free use of men of expertness in various fields of human knowledge.

Romanticists still speak of a unified group; but any one who has viewed the development of the New Deal will see not one group, but a vast number of individuals, possessing varying points of view and lending service to the President in innumerable ways.

Roughly speaking, the many people who have participated in the giving of advice and service may be divided into three schools of thought. There are three Brains Trusts, in this new sense of the term. The New Deal, far from being the result of an economic policy advocated by any one of these, is rather a coordination of these three distinct points of view.

In one Brains Trust there are those who believe that the economic betterment of the people of the country depends upon an inflationary or reflationary monetary policy. Important among those who have held this point of view are Professors Warren, Fisher and Rogers. Their concern is in the readjustment of money and credit in order to provide a just means of compensation for the decline of prices and the increasing burden of debt throughout the country, particularly among the farmers. They believe, if I understand them correctly, that to relieve this burden of debt will restore a general degree of prosperity that will carry on the individualistic economics of the past.

Drawn for the New York World Telegram by H. N. Talbot

"Did You Ever See a Dream Walking?"

Included in this group, of course, are innumerable people—some as naively simple in their economic views as was Bryan. Some of them talk of salvation through a currency based on foot-pounds of human energy; others, of a currency based on undeveloped natural resources; still others, of any one of a dozen varieties of plans of this nature. But it is only fair to say that the men who have been mentioned in this group advocate, in the large, simply a permanently managed currency in order that the stability of prices and debts may be maintained.

During the campaign, I observed a reluctance on the part of the group who were helping to formulate policies—and this applies particularly to Berle, Tugwell and Johnson—to place much dependence upon an exclusively monetary policy. They believed that the way to economic justice was a much more complicated way than the one suggested by Professors Warren and Rogers. As the President developed his monetary policy, however, it was apparent that it was only one aspect of an infinitely broader and more complex policy.

The second school of thought—and the most luminous exponents of this point of view in the past generation were Justice Brandeis and Senators LaFollette and Borah—are those who believe in the strict regulation of business, the protection of the small unit, the enforcement of the anti-trust laws and the formulation of new regulatory measures such as the Securities Act and the Stock Exchange bill. In some respects this Brains Trust is legalistic. Those most eminent in its councils are lawyers—such as Professor Felix Frankfurter and a number of younger men, largely trained in the Harvard Law School and who, in many instances, have served as secretaries to various justices of the Supreme Court. Thomas G. Corcoran, James M. Landis and Benjamin V. Cohen are notable in this group.

Regulation Still Needed

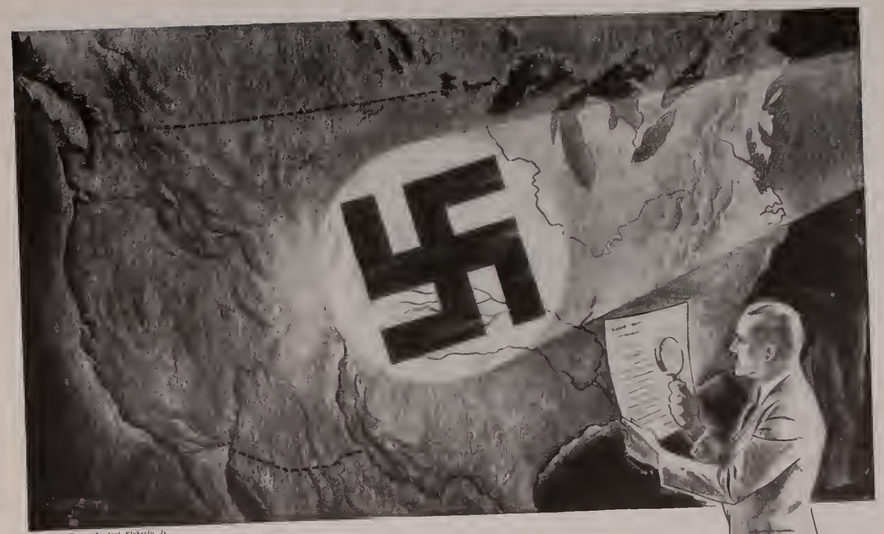
In general, those in this second Brains Trust do not believe that government is yet able to relax its regulatory function and to sit down in partnership with big business. They say that big business is possessed of more individuals of ability than government. The broad implications of their position are easy to see. They believe that with a leverage of regulatory measures and a few individuals concentrated in the Interstate Commerce Commission, the Federal Trade Commission, the Department of Justice and elsewhere, the vast industries of the country can be regulated by legal definitions of conduct. These men are essentially individualists. They hope for a continuation of an individualistic society under strict governmental rules.

The third Brains Trust, with which Professors Tugwell, Berle and General Johnson may be more completely identified, believes, within certain limits, that the government ought to go beyond the negative process of telling business what it ought not to do, and sit down with business and agriculture and attempt to provide a cooperative means of solving their problems. This is the basic idea embodied in the NRA and the AAA.

This idea of "partnership" does not mean a regimentation of our economic life, in the sense that timid Tories would imply. But it does mean that in a nation, the parts of which are interdependent and in a national economy which depends upon the balancing of one part against another, there must be intelligence and direction of thinking. It is this idea behind the NRA and the AAA, which, to my mind, are the most permanently valuable contributions of the New Deal.

It is to be taken for granted that these groups are not mutually exclusive. They are all part of a general picture. The genius of Roosevelt

(CONTINUED ON PAGE 23)



Drawn for TODAY by Jack Flaherty, Jr.

HITLERISM INVADES AMERICA

The third of a series of authenticated articles exposing anti-American influences at work here

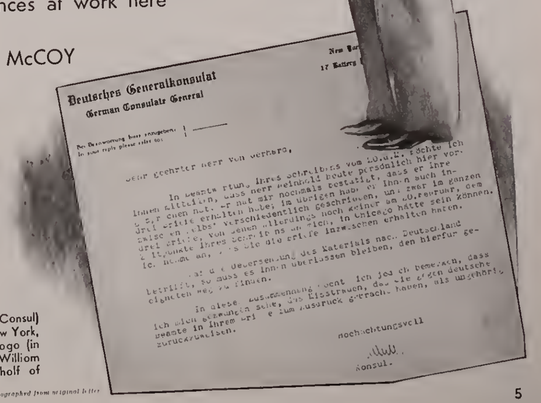
By SAMUEL DUFF McCOY

OFFICIAL rejoinder has been made to TODAY'S revelations of the invasion of America by Hitlerism.

The reply came through the Consul General of the Reich in New York, Dr. Hans Borchers, and read:

"Asked about the truth of a publication by Samuel McCoy, who alleges that there were thousands of National Socialists in the U. S. A. organized in two organizations, one of which being the 'Friends of New Germany,' I stated:

"The 'Friends of the New Germany' (membership unknown to me) were a private Ameri-



Deutsches Generalkonsulat
German Consulate General

"Mueller, Consul," (G. A. Mueller, a New York Consul) writing from the German Consulate General in New York, February 28, tells Victor von Gerhard of Chicago (in letter shown at right) of having talked with William Reinhold, whose letters reveal activities in behalf of Nazis in this country

Photographed from original letter

Walter Koppe, managing editor of the "Deutsche Zeitung," Nazi newspoper of New York, oddressing o group in Chicogo. Note the uniformed guords in foreground

can organization with no affiliations to the German National Socialist Party.

"No other organization of the German National Socialists existed in the U. S. A.

"Only single, unorganized members of the National Socialists lived in the U. S. A. And they, to my knowledge, numbered not more than a few hundred, most of them being old party members, since no new admissions to the party were permitted.

"Since German immigrants always had comprised members of all kinds of German political parties, such as the Social Democrats, Democrats or Centrists, it was an outrage to represent the existence of a few hundred National Socialists in the United States of America as a menace to this country.

"I welcome this opportunity to present the foregoing facts to the American public, which was entitled to a full knowledge of the real situation in order to get a clear conception of a most disgraceful plot to disturb the friendly American-German relations."

Nazi Leoder Retires

Dr. Borchers says that the Friends of the New Germany "were a private American organization with no affiliations to the German National Socialist Party."

It was found desirable, however, on March 28 (just five days, it will be noted, after TODAY had advertised the fact that it was about to begin its revelations of the Hitlerism invasion) to withdraw from the leadership of the Friends of the New Germany an acknowledged member of the National Socialist Party and to put, for the first time, an American citizen in his place.

This change came about immediately upon the return from Germany of Fritz Gissibl, the retiring leader. In its first article in this series TODAY showed, in addition, the invariable adherence of the Friends to the "leadership principle" and their direct accountability to the *Auslands Organization* of the Nazi Party in Hamburg.

Dr. Borchers says, too, that "no other organization of the German National Socialists existed in the U. S. A." (His contradictory use of "other" was presumably due to his unfamiliarity with English, and may be disregarded.) He added that "only single, unorganized members of the National Socialists lived in the U. S. A."

As long ago as September 30, 1932, just such an organization as Dr. Borchers says did not exist was set up in this country. It was created by a "Foundation Decree of the National Group, U. S. A.," issued by Dr. H. Nieland, then head of the Foreign Division of the Party.

This decree was published in full in January, 1933, in the first issue of the *Deutscher Beobachter*, a supplement of the *Amerikas Deutsche Post* describing itself as the "Official News Organ of the National-Socialist German Workers Party, National Group of the U. S. A." The decree read:

"1. In order to prepare for the coordination of local groups and sub-groups of the National-Socialist German Workers' Party of America into a National Group, I hereby appoint Party-Member Heinz Spanknoebel, of Detroit, as National Authorized Representative of the NSDAP (*National Sozialistische Deutsche Arbeiter Partei*) for the United States of America.

"2. All local groups, sub-groups, and individual members are placed under orders of the National Authorized Representative. They must comply with his orders unconditionally. Complaints regarding orders issued by him are to be made only to him. Should he not be willing to remedy the complaints himself, he must submit these complains immediately, together with his own comment, to the Leader of the Foreign Division.

"3. The National Authorized Representative has the right to appoint, officially, the leaders of the Locals and the sub-groups, and to suspend them from their posts until further notice. Measures of this kind are to be reported immediately to the Leader of the Foreign Division.

"4. The formation of the National Group is to be effected immediately, by the National Authorized Representative. Headquarters of the National Group U. S. A. will be in Detroit.

"5. Membership fees overdue are to be accounted for not later than October 31 of this year to the Foreign Division. From November 1 of this year, all membership fees must he paid to the National Authorized Representative. From November 1 of this year, the National Authorized Representative must pay to the Foreign Division 1.5 Reichsmarks (thirty cents) monthly for each member. From the established membership fees of three Reichsmarks per member per month, the Local Group concerned is to receive .75 Reichsmark and the National Group .75 Reichsmark. Of all incoming gifts of money and entrance fees fifty per cent shall be paid to the Foreign Division, while the remaining fifty per cent shall be divided between the Local and the National Groups.

"6. The National Authorized Representative shall have the right to fix membership fees, in special cases, different from those fixed by the Foreign Division. The amounts to be paid to the Foreign Division shall not be affected by such measures.

"7. The National Authorized Representative for the United States is answerable for his actions only to the Leader of the Foreign Division. He must build up the business headquarters of the National Group and he is to report to the Foreign Division as to the time when the foundation of the National Group can be expected.

"8. All necessary orders are to be issued by the National Authorized Representative according to his own discretion. The entire correspondence of the Party-Members, sub-groups and local groups in the United States with the Foreign Division is to be conducted from now on via National Authorized Representative."

Officially, the recruiting of members for the NSDAP in this country was halted in April, 1933. Notice came then (TODAY is informed that the notice came in the diplomatic pouch of the German Embassy and was relayed through the Consulate General in New York) that because of the "revolutionary victory" a branch of the Party was not "needed" here. It was added, however, that all members already enrolled were to be kept together, that reports were to be continued to the Chief of Staff in Munich, and that the Party's share of their dues was still to be remitted to Germany.

Actually, however, the *Landesgruppe U. S. America* continued.

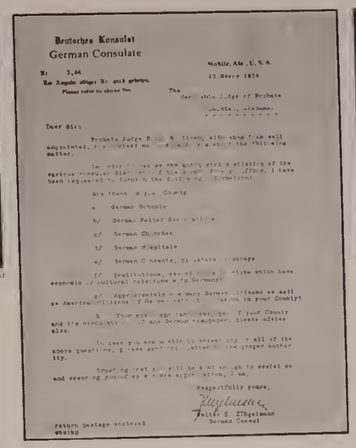
TODAY has reproduced documentary evidence that it was functioning as late as June 17, 1933. In addition, TODAY has had in its possession membership cards of the NSDAP made out to residents of this country as late as July, 1933. These cards carry not only United States but German serial numbers. Of the latter, all were above 1,000,000, which is an

Ulrich Staock, sitting on the wheel of a Nozi plone used by the Chicago group to distribute propoganda ot Germon Doy celebrotions

Wide World

Intercontinent

Arno P. Mowitz (left), Germon Consul in Philodelphia, ond Dr. Hons Borchers, Consul Generol in New York



Bruttschre Konsulat
German Consulate

Mobile, Ala., U. S. A.
13. März 1934

Dear Sir:

Probate Judge P[illegible] M. Irby, with whom we will [illegible] ...

... return postage enclosed
Heil!

Respectfully yours,
Fritz S. Ellgeimann
German Consul

A letter (left) from the Consul in Mobile seeking informotion about Germons living in Alobomo

Dr. Otto C. Kiep, formerly New York Consul Generol

interesting sidelight on a prevalent belief that, like the Communist Party in Russia, the membership of the Nazi Party in Germany is comparatively small.

Late in June and through July and August of last year further circulars of instruction came to this country—again, TODAY is informed, in diplomatic pouches—regarding organization here. Some of these circulars were from the Foreign Division but some from the Ministry of Propaganda.

These instructions covered plans for an organization to which only "Pgs." (party members) should belong, but which were never carried out. Others had to do with organization among American citizens of German birth or descent. Still others "advised" that support be withheld from German language newspapers that were not actively favorable to Hitler and the Nazi cause.

Organization of German-Americans had long been under way here. In the issue of the *Deutscher Beobachter* which carried the Foundation Decree was this notice, under the heading, "League of the Friends of the Hitler Movement, Registered Society, Headquarters, Hamburg":

"In addition to the organization of the NSDAP outside of Germany, the League also is being developed.

"The task of the League is to recruit for German National Socialism.

"Only those not citizens of Germany can become members of the League. German citizens are positively not permitted to join the League.

"Not only individuals but also societies which are willing to help fight for the National Socialist movement in Germany may become members of the League.

"While the official task of the Party Organization is to assemble German citizens abroad under the swastika and to procure respect for the movement abroad, it is the task of the League to support this fight by gifts of money and other contributions to the Organization of the NSDAP.

"The members of the League must keep in close touch with Party Members and give them support. Members of the League may—when residing in Germany—became full-fledged Party Members."

TODAY has recited the change of the League of the Friends of the Hitler Movement to the *Deutscher Volksbund* (officially translated as Friends of Germany) and then to the League of the Friends of the New Germany. These were not changes in character or in responsibility, they were changes in title only.

The privilege of becoming "full-fledged Party Members" in Germany continues. The place on the back of membership cards for affixing stamps denoting contributions to the "war fund" of the Party remains. And, it is to be noted, all applicants for membership must still give references to residents of Germany as well as to residents of the United States, and those who live in Germany come before those who live here.

Whatever the official version of the status of the Friends of the New Germany may be, and whatever its affiliations to the German National-Socialist Party may be held officially to be, the League has enjoyed open approval of German Consuls in the United States.

At various times, the League has had as its official organ the *Amerikas Deutsche Post*, the *Neue Deutschland* and the *Deutsche Zeitung*. In each of these there was a department, *Aus den Ortsgruppen*, devoted to reports of meetings and other activities of the "local groups" of the Friends.

Since August of last year these reports have listed sixteen instances in eight cities in which German Consuls attended meetings of the Friends or of affiliated organizations.

In the files of the *Neue Deutschland* appear the following:

August 31, with the heading "Advance in Cincinnati":

"The German Day celebration which took place in Cincinnati, Ohio, on Sunday, August 20, brought us the first public appearance of the young group of the League of the Friends of the New Germany. . . . Nearly 10,000 persons of German descent assembled for the celebration. The German Consul from Cleveland, Dr. Hans Borchers, delivered a vigorous speech which was repeatedly interrupted by shouts of 'Heil!' After his speech the German national anthem was sung, with hands uplifted, by the Consul as well as by the members of the League—who, 'by accident', were assembled around the speakers' table. . . . Walter Kappe (one of the organizers of the League) then spoke. After the speeches the League-members sang the Horst Wessel song . . . . New accessions to the League were outward signs of success. Two major propaganda meetings arranged for the next few days will strengthen the hold we have in Cincinnati."

September 16, describing a meeting in New York, under the heading, "German Evening on German Soil":

"Not one of the National-Socialists of the Hamburg-American Line steamers Reliance and Resolute and the Friends of the New Germany, who had invited all those of German nationality to attend the 'German Evening' on board the steamer Resolute, had anticipated such a mass attendance. The ship was packed to capacity. Two thousand five hundred German men and women and American friends hailed the New Germany on this evening. . . .

"The Leader of the League, H. Spanknoebel, addressed an appeal to the German nationals and with his hypnotic words found his way to the hearts of the German men and women, who

(CONTINUED ON PAGE 20)

• • •

The Horst Wessel Song

Roise high the Flog, close tight the ronks!
Storm Troopers morch with quiet, steody treod!
Comrodes sloin by Reoctionories ond Red Murderers
In spirit morch beside us.

Cleor the streets for the brown bottolions!
Cleor the streets for the Storm Trooper!
Already, hopeful millions look to the Swostiko:
The doy of Bread ond Freedom soon will down.

The Alorm Signol sounds for the lost time!
Prepored ond woiting, we face the Greot Fight.
O'er every street flies Hitler's Flog,
Our serfdom will lost only o little longer!

Roise high the Flog, close tight the ronks!
Storm Troopers morch with quiet, steody treod!
Comrodes sloin by Reoctionories ond Red Murderers
In spirit morch beside us.

Before the finol stonzo, oll give the Hitler solute to the Nazi Flog, ond oll flogs ond bonners ore roised high.

The Machine Age Comes to Spoon River

Lewistown's young people become subjects of the colossus of the city and go through a factory from which they emerge all alike

By EDGAR LEE MASTERS

IN 1823, Lewistown, Illinois, was the county seat of Fulton County, in which Fort Dearborn—or Chicago, as it was called finally—was located. And to Lewistown, until Chicago was incorporated in 1833, came people from Fort Dearborn, to get marriage licenses, pay their taxes and transact other public business. It was to this town of Lewistown that I was taken as a boy in the 'eighties by my family, and there I lived until I was grown.

It was like a hundred other county seats throughout the Middle-West, in those days of the Gilded Age; but in many particulars it was different. It was an old town, for that part of America. Settled by New Englanders, Virginians and Kentuckians, it had a character all its own.

It was located on an upland, about four miles from the Spoon River, and was surrounded by a picturesque farming country, part prairie, part hills, with forestry of oak and hard maple. Maple sugar was made by the farmers and sold in town; and maple wood, the best and most fragrant fuel wood known, sold for four dollars a cord. Peoria was about fifty miles away, and Chicago nearly two hundred.

I was told that in the old Court House Robert G. Ingersoll had made speeches, that he had stood on these very corners denouncing the Bible; and that both Douglas and Lincoln had addressed the people standing on the flagstones of the Court House entrance, between the pillars of limestone which supported the projecting roof. All this was told to me by Lewistown boys asserting pride in their town; and it was all true.

Stories of the Civil War lingered about. One-legged men, and one-eyed men were about the streets.

Puddles on Life's Lake

The industrialization of America at this time was already begun; it had been moving rapidly since the days of Appomattox. But Lewistown and the other little towns were like puddles at the edge of a lake; they had their own life and their own problems; and perhaps without knowing why—yet, as puddles, they were beginning to wrinkle and toss up little waves, they too set about at a form of industrialization themselves.

What did people in Lewistown care for Chicago or St. Louis? They cared nothing about either; and the greatest part of the people knew nothing about them. Lewistown was their town, in this large county of Fulton, having about forty thousand people, all able to feed and support themselves on their own soil.

Lewistown was a town that lived to itself, and supported itself. The farmers brought in potatoes and apples. There was a gardener near town who raised vegetables, strawberries and other fruits. There were two slaughter houses, three or four butcher shops. There was a milkman who milked his own cows, delivering milk twice a day in a covered wagon hauled by an old gray horse. He drove to the gate and rang a bell, and one went out with a pitcher and got the milk.

There were three or four shops where harness was made and repaired; there were as many shops where boots and shoes were made or repaired. The better citizens had their boots made in these shops for five to eight dollars a pair. There were the usual tinsmiths in the hardware stores. There was a gunsmith who made guns and repaired them for the hunters who tramped the bottoms of the Spoon River and the Illinois River in the game season. There were two brickyards which made all the building brick that Lewistown needed, save in case some well-to-do man wanted pressed brick.

Wagons Made by Hand

There were five blacksmith shops, in two of which wagons were made by hand and sold for about $50 apiece, though already Studebaker was beginning to encroach upon this trade. There was a copper shop, one grist mill, and saw mills not far away which made clap-boards of the oak and walnut trees then being slaughtered, and ties for the Burlington railroad.

In the hills nearby were dug-in coal mines from which coal was furnished to Lewistown; though more prosperous people used hard coal at seven dollars a ton. There were two livery stables, and no one dreamed in Lewistown of the automobile. The invention of one may have been hinted; for there was talk in the barber shops, of inventions and the airbrake was the product of a Lewistown man, according to patriotic boasters.

There was a furniture factory where tables, bedsteads and the like were made on a small scale, and where cabinet work was done for the houses; and there were many carpenters, brick and stone masons and workers of all sorts. And finally there was the large, three-story woolen mill where blankets and woolen cloth were manufactured. In this mill some of the boys worked at fifty cents a day. Some worked only on Saturday, gradually drawing away from school until they ceased to attend at all.

There was no electric light; only kerosene street lamps around the square. There was no telephone, save a line that ran to Canton and Peoria, over which it was difficult to hear. I was the operator for a time at Lewistown, and it was often necessary to have messages from Peoria repeated from Canton. There was a national bank which very soon became a private bank.

This was Lewistown as a county seat, a center, not industrialized, but merely equipped to attend to its own needs.

The diversions were to loaf in the cobbler shops and barber shops. The daily paper came in the morning from Chicago. There was no Sunday paper. Every winter a local company was organized to play *East Lynne*, or something. The Spooner Dramatic Company came for two weeks and played *The Octoroon*, and the like. There was a plentiful supply of *Uncle Tom's Cabin* companies, and minstrel shows, like Hi Henry's, who marched around the square at the head of his band, playing his cornet of solid gold and followed by all the boys of the town.

All this while, and for forty years before, the Parlin & Orendorf plow factory at Canton, eleven miles from Lewistown, was flourishing. It employed about 700 men, and in a few years after this was absorbed by the International Harvester Company, when imperial business began to show its hand even in Lewistown.

Strangely enough, the vanishment of Lewistown as a self-sufficient center was first evidenced by a change in the food market. Meat was shipped in by the Chicago packers, and competed with the local butchers and their slaughter houses. Oleomargarine came to crowd out the butter of the farmer. Pretty soon, vegetables were shipped in; for strawberries came to the grocers from afar long before those of Lewistown ripened.

When a narrow-gauge railroad was built from Galesburg to Havana, and the stage coach was shelved, ear shops of a simple kind were built south of town. That added to the industries of the 2,300 people constituting this county seat.

Then came disaster—the woolen mill burned to the ground. Then a new grist mill burned. Lewistown was hard hit. But as a self-sufficient center it was about to be much harder hit from other quarters, and did not realize it. The days of cheap butter and eggs, of cattle at four cents a pound, or wheat at seventy-five cents a bushel, were passing.

Design for TODAY *by Orcutt Walsh*

A New Age Sets In

About this time, all the towns about Lewistown began to send up the cry of booming business and industries; it was the new age setting in, lapping these remote shores with waves which had spent their main strength in the large cities. In Lewistown an "Improvement Association" was formed, additions were laid out; plans made to rebuild the woolen mill and the grist mill (which were never rebuilt, however). The woolen mills afar, the flour mills of the great corporations of Minneapolis made this unnecessary. Free land space was offered to factories to locate in Lewistown, and the bank and moneyed men went into their pockets to help finance factories and the like. It was all imitation, and all futile; but Lewistown felt the urge.

One man came and built a shop, on ground given him, to manufacture clothes-pins, racks, ironing boards and the like. Another newcomer started a small foundry. Another started a dairy; and the old milkman faded out. Cream and milk could be bought at the grocery store. Most important of all, a canning factory was started, financed largely by the bank, as the son of the banker became a partner in the business. Lewistown was booming. Lewistown was industrialized.

The young loafers at the barber shop got jobs. Men lost their hands in the machinery. The old Court House heard a new kind of case, different from railroad accidents. The factories had lawyers, even lawyers of the indemnity company from Peoria. Lewistown began to hear of such doctrines as fellow-servant, contributory negligence, assumption of risk, and the like. The judge was asked to take cases away from the jury, and decide that the injured man could not recover damages. For already there was a large jurisprudence from afar which justified this destruction of trial by jury. Whence and how did it come? And behold, the judge, who had been elected by the people and was one of the people, heard this unconstitutional jurisprudence expounded and adopted it and made jury trial a mockery! What was the matter?

Then the bank failed and spread ruin over the town, and into the farms. Farmers as depositors, and as silent partners in the bank, had to make good the losses. They stripped themselves to do so. The canning works which had fed at the bank, and at that could not sustain itself, collapsed; and the boys and men who had worked in it wandered off to other places where there were canning and other factories.

For it transpired that there was a giant corporation somewhere which owned the little factories; and all the farms and the farmers had to do was to raise corn and tomatoes, and sell them—if they could. Here was capitalism in a microcosm; machinery, hands cut off, long hours dictated by the canning company, back of which was the bank; over-loaning by the bank to the canning works; then insolvency and the failure of both. And a changed jurisprudence, with the church sustaining the new order, since it was controlled by the moneyed men.

The local dairy was merely a unit of a large dairy corporation somewhere. Machine-made boots and shoes from afar ended the cobblers as boot and shoe makers. Concrete blocks came in to supplant the use of brick. The saw mills were running out of trees by this time. Coal mines were spent, and the way was prepared for stripping, that form of getting coal in which the coal trust buys a meadow, or a cornfield and then sends great scoops upon it which dig down thirty to fifty feet and lift out the thin veins. These sprang up around Lewistown. With the passing of horses and wagons the blacksmith faded out.

"Lewistown lived to itself, supported itself"

Tide Against the County Seat

Lewistown had tried to become a factory town in increase its population and expand business.

It failed, just in time to become the subject of the tyrant factory from afar, the colossus of the city.

It had tried to do, and failed to do, just what many other towns in Illinois, Indiana and farther west tried to do. The tidal wave of business, the laws, everything was against them; and even against their retaining their woolen mills and flour mills and the like. Losing these by fire, or because they were closed and abandoned, they settled down as little aggregations of population, fed, clothed, educated and amused by standardized enterprises operated as monopolies and directed from the larger centers.

Infinite changes, scarcely to be catalogued, resulted from the passing of the livery stable and the coming of the garage; from the closing of Beadles Opera House, and the opening of the movie theater; from the new type of magazine, not only anonymously edited but edited by nonentities; and from the fact that everyone acquired a radio and a telephone.

To have meat, vegetables, fruit, milk supplied by the cities made dependencies of these little towns.

It was good to have paved streets and electric lights as Lewistown had; but it would have been better still if the people who walked these streets had not been smitten with restlessness, hunger for excitement, and lowered concentration of mind, all caused by the new conditions which made them keep pace with the cities.

Do the young have the fun in the High School gymnasium, or at football and baseball played according to the methods of the big colleges, that they did before the woolen mill burned, in playing "red line" around that building, or in skating on Spudaway and Big Creek, as we used to do in Lewistown?

I think not. I have never seen any boys since my day as a boy who had the fun I had in Lewistown, hunting with Hare Hummer, or sitting with him and others on the steps of the woolen mill by moonlight while he played the banjo and sang.

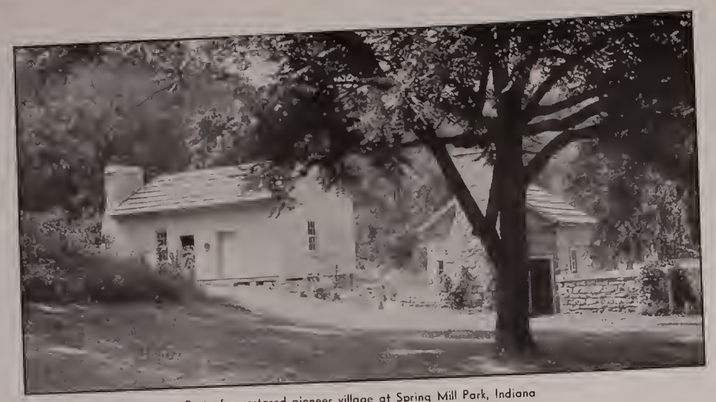
Individuality Suffers

Hair cut by electricity is not favorable to talk and laughter in the barber shop. Shoes mended by machinery ended the conversation of Hofflund telling of Stockholm. Clothes furnished by the ton from Chicago drove the local tailor away. Books furnished by book clubs worked against individual taste. Laws made from afar, not even from the capital of the state, but from far money centers, made village ordinances of less moment than the rules of a club.

All this tended to make people machine-made, to shoot the young people through a sort of factory system from which they emerged all alike.

This is another way of saying that character and individuality suffered when the county seats lost their self-support, and could no longer feel proud that they administered their own laws.

They were wont to ask for liberty or death; and it is certain that they did not get liberty.



Part of a restored pioneer village at Spring Mill Park, Indiana

BACKROADS: In Indiana

Cookie jars, gambling farmers, and Hoosier culture

By FRED C. KELLY

INDIANA claims the best system of state parks in the United States. That's one solution of the marginal land problem these Hoosier folk have hit upon. They have found a way to kill two birds with one stone by turning marginal land into parks where people can spend the increased leisure that comes from our shorter working hours.

One thinks of Indiana as a prairie, and yet in the state parks is to be found some of the finest scenery in the Central West. The state now has twelve great parks, besides forest preserves, bird sanctuaries, fish hatcheries, and a number of smaller memorial areas, including that about the grave of Nancy Hanks, mother of Abraham Lincoln, neat Gentryville, where Lincoln spent his boyhood between 1816 and 1830.

These state parks range in type from the Dunes Park, on Lake Michigan, an inland Atlantic City, to the wild foothills of the Cumberlands in Brown County. Six of the parks have excellent state-owned hotels where people may go and stay as long as they wish, at reasonable cost, and see the outdoors much as it was when the Hoosier land was first settled. At the Spring Mill State Park, not far from French Lick, they have even restored a pioneer village, just as it was more than one hundred years ago. An old water-wheel operates a saw-mill of earliest design, and log cabins of early settlers are furnished as nearly as possible as they were in the days when Tom Lincoln brought his family from Kentucky to try his luck in Indiana.

In the Brown County State Park, on top of the highest hill in this wild area, is the Abe Martin Inn, named after that famous single-gallused, Brown County philosopher created by the late Kin Hubbard, Indianapolis humorist. All about the hillsides near the Abe Martin Inn are little cabins for individual occupancy, each named to celebrate the fame of other Kin Hubbard characters—Ez Pash, Doc Mopps, Tell Binkley, Editor Cale Fluhart, Constable Newt Plum, and the rest. Here these mythical Brown County folk will be kept alive for oncoming generations who cannot recall the day Abe Martin summed up the whole prohibition situation by saying: "Mr. and Mrs. Ez Pash were awakened last night by burglars singing in the cellar."

A few years before he died, Kin Hubbard made a trip around the world. In India he was impressed by certain methods for disposing of the dead. This must have been in his mind one morning when he wrote out one of his Abe Martin sayings and sent it to the editor. Half an hour later, the editor rushed into Kin's office in a state of indignation and demanded of Kin what he meant by placing such a line in a family newspaper. "We had to make over a page," he declared, "to prevent that from going to our readers." Kin substituted another Abe Martin saying, but could not understand why there should be any objection to what he had written in the first place. Here is what he had attributed to Abe: "Nothing infuriates a vulture like biting into a glass eye."

AN old, half-abandoned inn at Nashville, the county seat of Brown County, has been restored, with all its old-time pioneer atmosphere, and attracts guests not only from all over Indiana but from adjoining states. They serve delicious food cooked in early American style and sometimes guests have their breakfast prepared at the great open fireplace. I asked Miss Besteland, the manager, how late I could have breakfast.

"As late as you like," she told me. "If you don't care to get up till noon, you can have your breakfast then."

Later I heard another guest inquiring where he could have a snack before going to bed.

"Just go on out to the kitchen and I think you'll find something," said the manager.

Fancy a hotel where you are free to go to the kitchen and plunge right into the cookie jar!

I ASKED Booth Tarkington the other day what interested him most about the present American point of view.

"One of the most surprising things, it seems to me," he said, chuckling, "is the interest whole flocks of people are taking in improving their knowledge of wines—seeking to learn exactly which kind of wine should be served with each course, and all that. I have a good friend whose idea of culture at one time was never to wear a celluloid collar and to be somewhat shocked at those who did. Today his idea of an uncultured person is one who would not know better than to drink sparkling burgundy."

AN Indianapolis real estate man said to me: "When you hear of a farmer, once prosperous, who lost all his land, it isn't so much because of low farm prices as because of his earnest desire to get rich quickly. I could give you names and addresses of fifty farmers who mortgaged all their land to raise money to invest in oil companies. Of course they lost."

MAYBE that accounts for the point of view of a farmer I met at a gasoline station at the edge of Indianapolis.

"How do you like Mr. Roosevelt and his New Deal?" I asked.

"I like the President well enough," he said, "but I'm a little afraid he hasn't had quite enough courage about handling the stock market. He shouldn't have let them modify that stock exchange bill. If they changed it at all, they should have fixed it to stop anybody from gambling on margin. They ought to use 100 per cent cash. If those big fellows in Wall

(CONTINUED ON PAGE 23)

Uncle Sam: Journalist

By MAX STERN

IN his new rôles of banker, home-builder, social worker and whatnot your Uncle Sam is winning plaudits as a modern-minded, go-getting adventurous fellow. As veteran editor and publisher of an important tabloid daily known as the *Congressional Record* he is being chided as an easy-going wastrel, a word-monger and a bit of an old bore.

Uncle Sam's daily was born just sixty years ago, in 1874, succeeding the forty-year-old *Congressional Globe* to become the world's first and only verbatim record of a people's parliament. In these years it has achieved a technique of mechanical competence that might be envied by any privateering rival. In general, its stories of Congress' debates are fascinating as a novel, and are eagerly followed by a small but intelligent clientele of readers. It is some of the stuff that goes into the extra columns of its usual hundred-odd pages that is drawing the ire and fire of its critics.

In Congress two efforts are afoot, one to curb the *Record*'s appalling verbosity and purge it of a creeping toxin of propagandism; the other to "pep it up" in line with the jazz journalism that has been sweeping our Fleet Streets since the passing of the Dana school. The first movement is succeeding, the second is doomed to fail.

Of the making of useless speeches, of course, there is no end, and millions of futile words are poured each session into the *Record*'s forms. The vice of extravagant garrulity is as nothing, however, compared with the misuse of the *Record*'s hospitable columns for propaganda, self-advertisement and downright hokum. Chiefly offending is the Appendix, a carry-all into which each day is dumped the slag of undelivered speeches, called "extension of remarks," of radio broadcasts, news and magazine clippings, and a varied assortment of matter utterly irrelevant to the business of law-making.

Pain to the Taxpayer

For decades, off and on, the Appendix has caused pain to the taxpayers. The late Uncle Joe Cannon, it is recalled, once read into it the Republican *Campaign Text Book*. Another House member once printed therein the entire text of Henry George's *Progress and Poverty*. Senator Copeland, a New York physician, is credited with having reprinted three pages of matter extolling the curative effects of radium water. Another Senator inserted the French dueling code. For the price of cost plus ten per cent a member can get reprints, and then frank them free to the folks at home. Needless to say, in a campaign year the Appendix swells to an unhealthy bulk. Printing the *Record* costs the government some $650,000 for a long session, the matter of $45 a page. Fully one-third of this goes for the Appendix.

A minor rebellion is on in the House. Since one member, by objecting, may deny unanimous consent, one member can prevent the printing of an "extension of remarks." Representative John Taber, of New York, following the footsteps of former Congressman Underhill of Massachusetts, is a self-appointed censor, and never fails to object to the printing of useless matter. Taber and Underhill have saved thousands of dollars in the House, but the higher courtesy prevails in the Senate, and a thoroughly curative appendectomy awaits the rise of a Senate objector or some move, now under discussion, by the Joint Committee on Printing.

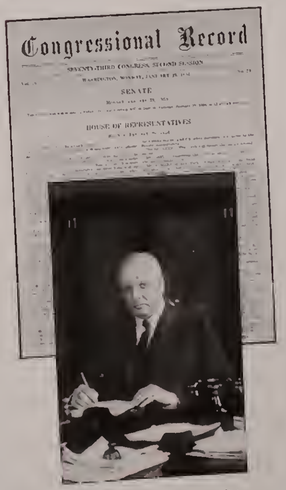
While attempts to confine the *Record* to covering the news of the day are moderately successful, efforts to enliven its columns are failing dismally. The pep movement appears to have started in 1913, when the late Senator Ben Tillman of South Carolina, fighting for a Federal income tax, was able to reproduce the only cartoon that ever decked its somber pages, an original drawing of an elongated cow, feeding in western pastures and giving her milk to Wall Street. The pep movement seems to have stopped here. "Uncle George" Norris of Nebraska slips into the columns an occasional and furtive bit of doggerel, and Representative Ham Fish a parody now and then. Pending now before a House committee is a resolution by Representative John J. Boylan of New York, to modernize the minutes by printing cartoons, half-tone photographs, headlines and, possibly, a comic strip or two. In spite of these sporadic efforts to add zest and human interest, the *Record*, except for its mechanical improvements, remains just what it was in 1874, the costliest, wordiest and most useful journal of current political opinion in our democracy.

As one of its 126,000,000 co-owners you should get a close-up of this unique daily, and see it function through the long watches of the day and night on Capitol Hill.

Your newspaper has 531 contributing editors, the men and women of Congress. It has a reportorial staff of fifteen middle-aged gentlemen, eight in the House and seven in the Senate, who are called "reporters of debates." Its publisher is the Joint Committee on Printing, chairmanned by ancient Senator Duncan Fletcher of Florida. Its managing editor is Public Printer George H. Carter, an Iowa ex-journalist whom Harding named to head the biggest print shop in the world, the Government Printing Office. Its mechanical staff includes three "copy-boys" of uncertain ages, fifty-odd linotype operators, a little army of copy-cutters, proof-readers and revisers and a delivery force.

The reporters, trained and educated shorthand men who usually come up from committee jobs and earn a princely salary of $7,500 a year, stand near the speakers or in the houses' wells. When soft-spoken men like Fess or Capper are talking, they edge up closely; when it's leather-lunged Vandenberg or lusty Johnson they may sit at tables near the rostra. They work in relays, and their job on busy days is not a sedentary one. With a fifteen- or twenty-minute "take," a reporter rushes down stairs to speak his take into a dictaphone in the recording room, then hurries back. An assistant, called an "amanuensis," records the take on a typewriter and turns it over to the "copy-boy" to return to the author for correction.

The business of author's corrections is the staff's bane. The three copy-boys cover for both houses. If they fail to get the copy back into the author's hands before adjournment they must trail him wherever he goes, sometimes to his home or club, sometimes to a dinner party or theater box. In older days they rode bicycles, now they may use motorcycles. The reporters have taken certain liberties with the speeches and debates by cutting out a cliche, adjusting a strayed negative or chopping off an offending final preposition. The member, too, may change the style, but he cannot change the meaning.



George H. Carter, ex-journalist from Iowa, edits the "Record"

At 6:30 P.M. the copy starts flowing into the Printing Office, some quarter-mile away. Here it is cut, set, proof-read and made ready for the presses. By midnight all the "outs" must be back. At 4 A.M. the paper "goes to bed." Only four times last session, and only twice this year, has the paper failed to keep the schedule.

Nowhere Else a Press So Free

As important an organ as this, you'd think, would have a mighty circulation. It has only 35,000, of which 600 are paid for. Each House member gets fifty-nine free copies to send to his friends; each Senator gets eighty-seven free issues. Private subscribers, for $1.50 a month, may have it delivered. Libraries pay $8 a session. A single copy costs ten cents.

And it is more than worth it. Did it cost many times the price and effort, it would be cheap. Without free speech and press, American democracy would die overnight. And nowhere in the world are speech and press so free as in the people's Congress and the people's newspaper.

VINCENT ASTOR, Publisher

RAYMOND MOLEY, Editor
W. P. BEAZELL, Assistant Editor

WILLIAM C. STEWART, Managing Editor

The Great Effusion

A consideration of the principles of the Saturday Evening Post political party

THE *Saturday Evening Post* has stepped from its rôle as the companion of idle hours and proposes a new political party. It publishes its confession of faith under the appropriate title *The Great Illusion.*

It is hard to answer this confession of faith because it is not very logical. But by dint of piecing the sentences together and by establishing cogency, order and logic where they do not really exist, I have reduced this boggling keynote speech to six points.

The *Post* says that in the old parties, containing as they do both conservatives and progressives, there should be realignment; some Republicans ought to get out of that party and some Democrats ought to rally around a "reformed and reconstructed Republican Party." The *Post* is twenty-one months late, which is not bad, for the *Post.* Franklin D. Roosevelt, in accepting the Democratic nomination, said the same thing:

> This is no time for fear, for reaction, or for timidity and here and now I invite those nominal Republicans who find that their conscience cannot be squared with the groping and the failure of their party leaders to join hands with us; here and now, in equal measure, I warn those nominal Democrats who squint at the future with their faces turned toward the past, and who feel no responsibility to the demands of the new time, that they are out of step with their party.

The *Post's* first complaint against the Roosevelt Administration is that it is proposing a new measure "every morning" and is asking Congress to pass "prepared" bills. The answer to this is twofold. The Administration, in the Spring of 1933, faced a major economic collapse, and energy was necessary to save the country. Would the *Post* have spent "months and years" preparing banking legislation in March, 1933, when the savings of the people were engulfed in a complete collapse of the banking system?

As to the present session of Congress, what the *Post* says is completely false and misleading. The President in his annual message announced a practical suspension of legislative activity in this session. Only those measures were requested that were a necessary fulfilment of his pledges. They were the gold bill, the tariff bill, the stock exchange bill, the St. Lawrence treaty and the communications bill. The *Post* is disturbed by the fact that "most of the legislation that is being proposed bears the imprint of the Brain Trust," those "smart, shallow young men who are so cocksure and so determined to make us all over in five or ten minutes."

Let the facts speak.

THE gold bill was largely the work of veteran lawyers of the Treasury. The tariff bill bears the imprint of that flaming and radical youth, Cordell Hull; the communications bill, that of Joseph B. Eastman, whom the railroads regard as the most competent and experienced public servant in his line in this generation. The St. Lawrence treaty came over from the Hoover Administration. The stock exchange bill—ah, that is another story. But it is the real point of the *Saturday Evening Post's* effusion and we shall return to that presently.

The *Post* complains against the administration of certain measures already in operation, alleging that the defects are due to the "haste" with which they were conceived and the inexperience of those in charge. Let us take the *Post's* list and measure it.

The CWA—the *Post* would have had it "carefully planned and slowly put into effect." It was carefully planned. The idea of the CWA was discussed by President Roosevelt and Harry Hopkins as long ago as May, 1932. It was put into effect when it was because hunger and suffering and moral and spiritual discouragement were paralyzing the country. But what does the *Post* know of hunger and suffering and discouragement?

Next is the NRA. One of the most vicious falsehoods current these days is the charge that this legislation was the work of theorists. No professor and, so far as I know, no man under forty-five, had anything whatsoever to do with the framing of the bill. The various ideas that went into it came from business men, leaders of the American Federation of Labor and a group of Senators. A most important contribution to the measure was formulated in that hot-bed

of Bolshevism—the Chamber of Commerce of the United States. These are facts. I know them to be facts and I have the documentary evidence to sustain my assertions.

Perhaps the AAA is the product of the "so-called intellectuals . . . who have never made a wheel turn over." The agricultural legislation of the President is the result of the work of many people. The principles which it embodies were set forth in his Topeka speech in 1932. They had been considered and passed upon by no fewer than twenty-five people. They were not, except in a few instances, young. Only two of them were professors. The others were business men and memhers of Congress who had for a generation participated in the battle over agricultural relief. Here again I make the flat assertion not only because I was an eye witness to most of what was done, but because the documentary proof is in my possession.

The assertions of the *Post*, then, apply neither to the CWA, the NRA nor the AAA.

AH, the truth comes out at the end. This entire tirade against the Administration generally, the exhortation to form a new party, this denunciation of Roosevelt, youth and progressivism—all this is but window dressing to cover up the real purpose of the guardian of reaction. It is the stock exchange bill that has put the *Post* so beside itself.

Here, again, I know the facts at first hand. The ideas of this legislation did not come from a preconceived theoretic system of government control of business. They were drawn from American experience, found in scores of places. The idea of limiting margins and speculative credit is as old as the hills. The provisions to protect stockholders from exploitation by insiders came from a partner of a most conservative law firm in Wall Street who has himself taken credit for being the "foster-father" of the provision. (Name furnished on request.) The provision concerning adequate reports of corporations to their stockholders is something the New York Stock Exchange has been seeking for many years, although it had neither the courage nor the strength to put it through. The provisions concerning manipulative practices came from Mr. Pecora's Senate investigation.

The President did not cause a bill to be framed. He asked Congress, under his constitutional rights, for legislation. The responsible committees of Congress proceeded to the task of framing it. These committees were under the chairmanship of two of the oldest and most trusted members of the two houses—Senator Fletcher and Congressman Rayburn. Congressman Rayburn and Senator Fletcher indicated their objectives and purposes and at least a dozen men—old and young, and certainly not inexperienced—drafted the legislation. They were professional bill draftsmen. They did not put their own ideas into the law.

The bill was revised over and over again. All interested parties were heard. There have been at least ten drafts of the measure. The bill was gone over word by word by Treasury and Federal Reserve experts, including Governor Black, who as yet has been suspected of no Moscow affiliations. Important sections were gone over and accepted by the Wall Street counsels actually appearing for complaining brokers, dealers and bankers. The final result is as far from being the work of young and inexperienced men as the Constitution of the United States was the work of Randolph, who submitted the first draft.

It cannot then be the young men "untainted with any practical experience" who are really the concern of the *Saturday Evening Post*, or Dr. Wirt or other propagandists in the cause of Wall Street's fight. It is the fact that the bill is effective and proposes to remedy evils that should be remedied and that the people of the United States want remedied. This is the reason for the *Post's* hysteria. Its colossal screed is not the constitution of a new party, hut a piece of special pleading for those who have always been the special concern of this organ of reaction.

There is something intensely hypocritical in the use these days of expressions such as "traditional liberties" and "the spirit of the pioneer." The *Post* has sprinkled these unctuous platitudes throughout. I find myself torn between an impulse to laugh and an impulse to swear when I hear, in luxurious clubs, talk about pioneer spirit in America. It is the talk of men whose sole contribution to pioneering has been limited to the initiation of stock market pools, whose contribution to the economic building of the country has been that of an uninformed and inactive membership on boards of directors, whose lives have been spent safely behind the barricades of wealth.

I WANT liberty, too—freedom from the awful consequences of an economic system smashed by an orgy of speculation in a Stock Exchange made in the image of gamblers.

I want freedom—for working men to join unions of their own choice.

I want rights, too—the right of children to their youth.

I want security—for the savings of the people.

I want fairness in economic return—the right of the farmer to get a decent price for his products.

I am not for liberty for irresponsible bankers who foist fake securities upon the public.

The true conservative leader in this country is the President of the United States. To be a conservative is to conserve—to save human values, to promote as rapidly as can be a return of active economic relationships.

If Franklin D. Roosevelt were a radical he certainly would not have followed the course that he did. Any high-school student who has read the lessons of history knows that the way to achieve a revolution is to let things get so bad that an enraged and infuriated public takes things into its own hands. The radical way in the Spring of 1933 would have been for Mr. Roosevelt to delay until the multitude of the unemployed should rattle the economic structure down around the ears of its leaders, and then, on the ruins, to make himself the leader of the victorious masses.

Instead of this, he chose the conservative way—the immediate restoration of a capitalistic society. If the *Post* will read its contemporary, *The New Masses*, it will see what real radicals think of the course that Mr. Roosevelt has taken. They look upon him as their enemy. Their friend is the *Post*, with the reactionary obscurantism preached by it week after week, even in the fiction that it purveys.

I am a conservative. I want to save what we have. The *Post*, apparently, in its blindness, like the Bourbons, never learns and never forgets.

Raymond Moley

Honest Differences

AMONG liberals in the Administration the feeling is growing that the time is ripe for another shake-up in personnel. The President has permitted, and even encouraged, the widest latitude and most free expression of opinion within the Administration. Through this interplay of ideas, policies are partially pre-digested.

The President has consistently countenanced really spirited controversy between whole departments—for example, that between the Treasury and the RFC over the methods by which intermediate credits are to be extended to industry.

The simplest discipline requisite to a successful Administration demands, however, that when a decision has been made, it shall be accepted and faithfully executed. Of late, a few of the important officials in the government have forgotten the distinction between argument before a decision has been made and sabotage after it has been made.

The National Securities Exchange bill is an example in point. Before the President committed himself to the Fletcher-Rayburn bill as a "minimum" requirement, almost every interested Federal agency except the Federal Trade Commission was critical of the bill.

After the President had committed himself, the Treasury somewhat begrudgingly swung into line—an extraordinarily halting performance in view of Henry Morgenthau's ability as a disciplinarian and his closeness and loyalty to the President. The Federal Reserve Board went down the line loyally. But the Commerce Department still acted curiously as if it were an independent arm of the government which owed no fealty to the President, while the NRA, which has difficulty in dissociating itself from its Industrial Advisory Board, was coolly neutral.

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It would indeed be very remarkable if the President, after endorsing the Fletcher-Rayburn bill, should ask for the resignation of some of the men who drafted it!

The extraordinary state of mind of the conservatives in the Administration and outside it, is strongly reminiscent of their confidence last December that they were going to drive Rexford G. Tugwell out of the Administration, and of the hallucinations of victory among the monetary Tories about twenty-four hours before the President announced his gold purchase plan last October.

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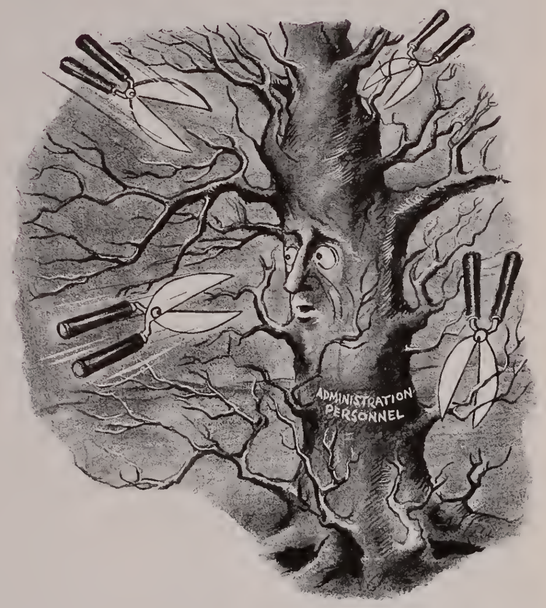

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At least three major points in the new policy are pretty definitely indicated, however: Unification of the supervisory administration in Washington, decentralization of actual administration into the hands of the governing officials in the respective possessions, and differential treatment, according to the desires and needs of each possession.

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But the four larger island possessions logically belong under a single agency of the government.

In all four the civilian problems bulk larger than the military problems. Each has its peculiar problems of race and of interrelationship to our foreign policy in the Pacific and in Latin America. Both coordination and differentiation are needed for their successful administration.

Their economic problems suggest that they be placed under the direction of either the Department of the Interior or the Department of Agriculture.

Their relationship to foreign policy suggests that they belong under the State Department, and that, very probably, is where they will be placed when the new policy has been worked out.

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An increase in revenues from the corporation income tax was assured by improved business after Mr. Roosevelt came into office. But the decrease in revenues from small incomes was a disturbing sign. The New Deal has measurably increased the income of the farming population as a whole; through the NRA it has filled in the worst gullys in the minimum wage level and through its whole program it has increased the income of the wage-earning classes. The income tax tabulation suggests, however, a dwindling of the number of incomes between $5,000 and the untaxed lower level—say from $3,500 up to $5,000 for the man with a wife and two children, and from $1,500 up to $5,000 for unmarried taxpayers.

The bulk of the people in this category are in the modest-salary class. The income tax returns substantiate what many know from their own experience and observation: That a large number of employers who reduced salaries again in the closing months of 1932 and the early months of 1933 did not raise salaries again when business improved. The purchasing power of this vast class of people, which was reduced to protect the return on capital—and perhaps in some cases to enable businesses to avoid bankruptcy—has not been restored to its former level. It has not been restored even to the depression level of 1932, in all probability. At least the income tax returns indicate as much.

No elaborate analyses are necessary to prove that corporations and individual business men have succumbed—have been permitted to succumb—to the understandable desire to recoup losses. Some of this money piled up in profits may be used to the advantage of the economic plant for improvements and replacements. However, the obvious fact that the crying need of the country is not for more money for investment—of which there is already a sterile surplus—but for more direct consuming power, has not yet sunk into the heads of many business leaders. And that is what is worrying the more thoughtful members of the Administration.

The reasons which led to the postponement of general tax revision until next Winter are generally understood in the Administration and there is a good deal of approval of the decision in view of the large number of other important items on the legislative program.

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(over)

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THE Treasury's exchange offering of 3.75 per cent twelve-year bonds, callable in ten years, for the remainder of the called Fourth Liberty 4.25 per cent bonds contained an implicit rebuke which even the most stupid of the late vociferous "sound money" aggregation could not fail to notice. On October 12, 1933, the Treasury called approximately $1,875,000,000 of the high-interest bearing Fourth Liberty Loan bonds and offered in exchange twelve-year bonds, callable in ten years, bearing an interest rate of 4.25 per cent for one year and 3.25 per cent thereafter. The strengthening of the dollar which followed this indication of the "sound money" policies of the Administration produced a fall in commodity prices which compelled the President to come forward with his temporary gold purchase plan for controlling the gold value of the dollar until Congress could meet and provide him with more effective implements. The triumphal shouts of the "sound money" contingent turned into a shrill hysteria. When the books were closed on December 2, only $872,000,000 in called Fourth Liberties had been turned in for exchange. The "hold-outs" evidently thought they would prefer cash or were under the delusion that they would obtain better terms by waiting. The terms which they get are just a little less advantageous to them than those they would have got by accepting the Treasury offer in the Autumn. They have lost fifty cents on each hundred dollars by waiting. That is a modest penalty, perhaps, for being a "sucker" for the "sound money" lobby. The Treasury got no little gratification out of its quick recuperation from the awful fate to which so many pundits and lackeys of Wall Street condemned it in November and early December.

In its satisfaction, the Treasury perhaps overlooked the fact that on the same day it offered in exchange twelve-year bonds at 3.25 per cent, the State of New York sold an issue of $50,000,000 in serial bonds at a net interest cost of 2.887 per cent. For three years or more, it has been a curious fact that the State of New York has been able to borrow long-term money for less than the Federal government has been able to do it. The explanation usually offered for the higher cost of Federal money is the growing public debt, the fear of inflation, and so forth.

It is true that the State of New York is the wealthiest state in the Union, that its fiscal affairs have been well-managed and that the debt of the state government is low in ratio to the wealth of the state, although it is not so low on a per capita basis. Nevertheless, the fact remains that the real value of a bond of the State of New York, like the real value of the bond of any other sound institution, public or private, depends on the fiscal policy of the Federal government. If the trace of a fear of inflation which is supposed to add to the cost of Federal borrowing should develop into an actuality, the purchasing power of the money invested in a bond of the State of New York would be depreciated just as much as would be the purchasing power of money invested in a Federal bond. If the Federal government does not, in the course of time, balance its budget and meet interest and amortization on its debt out of current revenues, it will make no difference whether the State of New York balances its budget or not.

There may be differences in the technical problems of marketing securities, due to the larger size of the Federal offerings, but at bottom there is no sound reason why the Federal government should not borrow long-term funds as cheaply as Comptroller Tremaine of New York is able to borrow them. One suspects that Comptroller Tremaine has discovered a fundamental fact concerning bankers and individual investors which has escaped recent Secretaries of the Treasury—namely that, within limits, a low interest rate is a definite attraction. He has inverted the traditional theory that the safest investments can command the lowest interest rates; he has proceeded cleverly on the theory that a low interest rate will make the investor think he is getting the safest possible investment. Perhaps if Comptroller Tremaine were advising the Treasury he might counsel bold self-confidence instead of cautious feeling of the market, then offer twelve-year bonds at less than three per cent, and sell them.—R. F. A.

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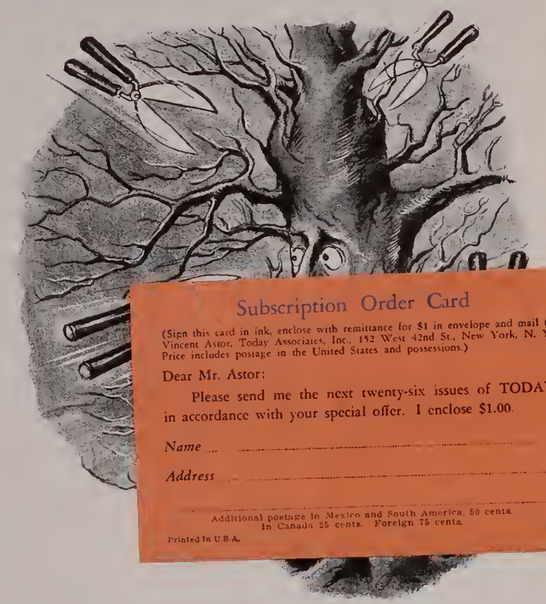

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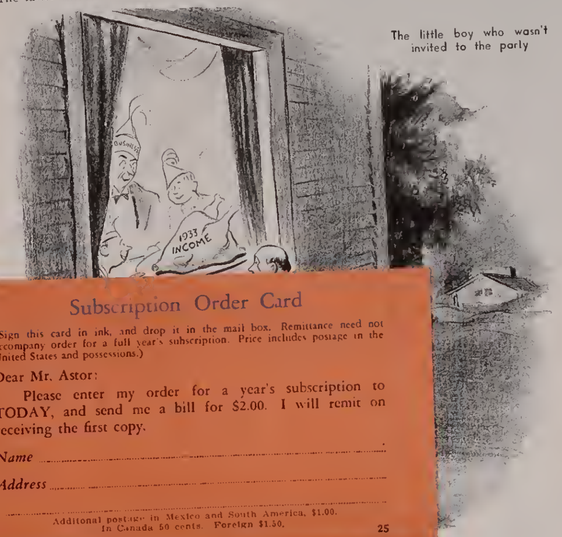

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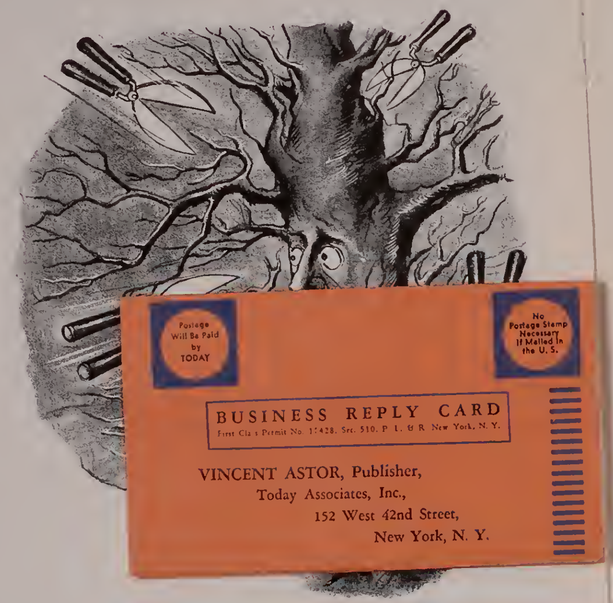
Then arose the curious report, published by a usually reliable correspondent as coming from an unnamed "higher-up," that some of the young "Anthony Advocates" were going to be asked for their resignations. As stock exchange regulation was the issue of the moment, it was naturally assumed in the Administration that the report referred to the lawyers who had assisted in drafting the Fletcher-Rayburn bill.

It would indeed be very remarkable if the President, after endorsing the Fletcher-Rayburn bill, should ask for the resignation of some of the men who drafted it!

The extraordinary state of mind of the conservatives in the Administration and outside it, is strongly reminiscent of their confidence last December that they were going to drive Rexford G. Tugwell out of the Administration, and of the hallucinations of victory among the monetary Tories about twenty-four hours before the President announced his gold purchase plan last October.

Colonial Policy in the Making

AS a result of the recent visits of Mrs. Roosevelt, Dr. Tugwell, and his assistant, John Carter, to the Virgin Islands and Puerto Rico, a new colonial policy is now in the making.



Botanical Note: The pruning shears are hovering over Washington once more

Probably it will not take final form until the President has made his own inspection this Summer of the West Indian possessions, the Canal Zone, and Hawaii.

At least three major points in the new policy are pretty definitely indicated, however: Unification of the supervisory administration in Washington, decentralization of actual administration into the hands of the governing officials in the respective possessions, and differential treatment, according to the desires and needs of each possession.

At the present time, Puerto Rico and the Philippine Islands are looked after by the War Department; Alaska, the Virgin Islands, and Hawaii are under the Interior Department; the Panama Canal is under a semi-independent agency but with an army officer as Governor; while the Navy has Guam and American Samoa.

Probably Guam, American Samoa, and the Canal will be left under the direction of the armed forces of the government. Possibly Alaska will be left with the Interior Department.

But the four larger island possessions logically belong under a single agency of the government.

In all four the civilian problems bulk larger than the military problems. Each has its peculiar problems of race and of interrelationship to our foreign policy in the Pacific and in Latin America. Both coordination and differentiation are needed for their successful administration.

Their economic problems suggest that they be placed under the direction of either the Department of the Interior or the Department of Agriculture.

Their relationship to foreign policy suggests that they belong under the State Department, and that, very probably, is where they will be placed when the new policy has been worked out.

Taxing Incomes to Aid Consumers

ONE figure in the Treasury's preliminary report on income tax collections for March gave thoughtful members of the Administration something to think about. It was the figure for receipts on incomes of less than $5,000—the total being $12,936,734.75, a decrease of more than $2,000,000 from the preceding year. It stood in sharp contrast to the increase of more than $21,000,000 in collections on larger personal incomes and of $30,000,000, or almost fifty per cent, in corporation taxes. The latter increases were expected. The rise in securities and commodities which began in April afforded the opportunity for large speculative profits on the up-side and diminished the opportunity for establishing the capital losses which enabled so many persons of large incomes to cut down or escape tax payments during the depression years.

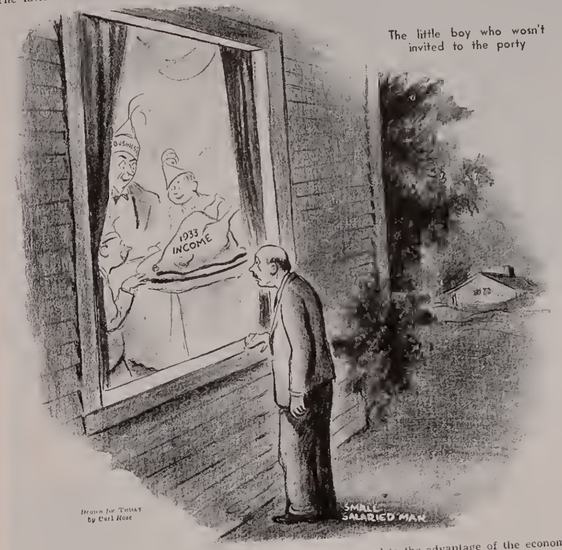
An increase in revenues from the corporation income tax was assured by improved business after Mr. Roosevelt came into office. But the decrease in revenues from small incomes was a disturbing sign. The New Deal has measurably increased the income of the farming population as a whole; through the NRA it has filled in the worst gullys in the minimum wage level and through its whole program it has increased the income of the wage-earning classes. The income tax tabulation suggests, however, a dwindling of the number of incomes between $5,000 and the untaxed lower level—say from $3,500 up to $5,000 for the man with a wife and two children, and from $1,500 up to $5,000 for unmarried taxpayers.

The bulk of the people in this category are in the modest-salary class. The income tax returns substantiate what many know from their own experience and observation: That a large number of employers who reduced salaries again in the closing months of 1932 and the early months of 1933 did not raise salaries again when business improved. The purchasing power of this vast class of people, which was reduced to protect the return on capital—and perhaps in some cases to enable businesses to avoid bankruptcy—has not been restored to its former level. It has not been restored even to the depression level of 1932, in all probability. At least the income tax returns indicate as much.

No elaborate analyses are necessary to prove that corporations and individual business men have succumbed—have been permitted to succumb—to the understandable desire to recoup losses. Some of this money piled up in profits may be used to the advantage of the economic plant for improvements and replacements. However, the obvious fact that the crying need of the country is not for more money for investment—of which there is already a sterile surplus—but for more direct consuming power, has not yet sunk into the heads of many business leaders. And that is what is worrying the more thoughtful members of the Administration.

The reasons which led to the postponement of general tax revision until next Winter are generally understood in the Administration and there is a good deal of approval of the decision in view of the large number of other important items on the legislative program.

The little boy who wasn't invited to the party



Uncle Sam Pays and Pays

THE Treasury's exchange offering of 3.75 per cent twelve-year bonds, callable in ten years, for the remainder of the called Fourth Liberty 4.25 per cent bonds contained an implicit rebuke which even the most stupid of the late vociferous "sound money" aggregation could not fail to notice. On October 12, 1933, the Treasury called approximately $1,875,000,000 of the high-interest bearing Fourth Liberty Loan bonds and offered in exchange twelve-year bonds, callable in ten years, bearing an interest rate of 4.25 per cent for one year and 3.25 per cent thereafter. The strengthening of the dollar which followed this indication of the "sound money" policies of the Administration produced a fall in commodity prices which compelled the President to come forward with his temporary gold purchase plan for controlling the gold value of the dollar until Congress could meet and provide him with more effective implements. The triumphal shouts of the "sound money" contingent turned into a shrill hysteria. When the books were closed on December 2, only $872,000,000 in called Fourth Liberties had been turned in for exchange. The "hold-outs" evidently thought they would prefer cash or were under the delusion that they would obtain better terms by waiting. The terms which they get are just a little less advantageous to them than those they would have got by accepting the Treasury offer in the Autumn. They have lost fifty cents on each hundred dollars by waiting. That is a modest penalty, perhaps, for being a "sucker" for the "sound money" lobby. The Treasury got no little gratification out of its quick recuperation from the awful fate to which so many pundits and lackeys of Wall Street condemned it in November and early December.

In its satisfaction, the Treasury perhaps overlooked the fact that on the same day it offered in exchange twelve-year bonds at 3.25 per cent, the State of New York sold an issue of $50,000,000 in serial bonds at a net interest cost of 2.887 per cent. For three years or more, it has been a curious fact that the State of New York has been able to borrow long-term money for less than the Federal government has been able to do it. The explanation usually offered for the higher cost of Federal money is the growing public debt, the fear of inflation, and so forth.

It is true that the State of New York is the wealthiest state in the Union, that its fiscal affairs have been well-managed and that the debt of the state government is low in ratio to the wealth of the state, although it is not so low on a per capita basis. Nevertheless, the fact remains that the real value of a bond of the State of New York, like the real value of the bond of any other sound institution, public or private, depends on the fiscal policy of the Federal government. If the trace of a fear of inflation which is supposed to add to the cost of Federal borrowing should develop into an actuality, the purchasing power of the money invested in a bond of the State of New York would be depreciated just as much as would be the purchasing power of money invested in a Federal bond. If the Federal government does not, in the course of time, balance its budget and meet interest and amortization on its debt out of current revenues, it will make no difference whether the State of New York balances its budget or not.

There may be differences in the technical problems of marketing securities, due to the larger size of the Federal offerings, but at bottom there is no sound reason why the Federal government should not borrow long-term funds as cheaply as Comptroller Tremaine of New York is able to borrow them. One suspects that Comptroller Tremaine has discovered a fundamental fact concerning bankers and individual investors which has escaped recent Secretaries of the Treasury—namely that, within limits, a low interest rate is a definite attraction. He has inverted the traditional theory that the safest investments can command the lowest interest rates; he has proceeded cleverly on the theory that a low interest rate will make the investor think he is getting the safest possible investment. Perhaps if Comptroller Tremaine were advising the Treasury he might counsel bold self-confidence instead of cautious feeling of the market, then offer twelve-year bonds at less than three per cent, and sell them.—R. F. A.

Pope Pius XI blesses pilgrims gathered before the Basilica of St. Mary Major

THE VATICAN

YESTERDAY—TODAY—TOMORROW

A Book Review by

THE REV. JOHN J. WYNNE, S. J.

THE best book that has appeared in English on the subject, *The Vatican Yesterday—Today—Tomorrow*,* by George Seldes, is well written and a valuable collection of current history, information and description on an absorbing topic.

It is no easy task to write of a state which began with the Christian centuries as a spiritual power, transcended this limitation to become also a temporal one for hundreds of years, lost its material possessions for fully three generations, and in our own day regained practically all of them that are essential for its higher mission. George Seldes is equal to the task; an outcast from Italy, Russia, Arabia, Rumania, Fiume, he would not be an unwelcome visitor, if not resident, at the Vatican.

The book is a fine example of disinterested statement. The writer has the happy faculty of observing without bias. He well knows that millions look upon the Vatican as a "monstrous creation, inscrutable and speechless," but he has beheld it as a normal institution, open to the eyes of all the world and more vocal than silent.

The historical chapter on the Yesterday of the Vatican, and the disquisition on Church versus State are too brief to be as illuminating as one would desire. The chapter on the finances of the Vatican is necessarily guesswork and gossip, and another on Catholicism and Americanism is beyond the author's scope. Part II is quite satisfactory, although gossip is admitted about the "Secrets of the Conclave."

For the first time we have gathered together valuable information about the Index, the Rota, which has to do with annulments of marriage, the duties of the Papal Secretary and the functions of the Pontifical Court. Here's where the apologetic comes in, and it is finely done. Strange, is it not, that we have no such account of the concerns and methods of government in Great Britain, France, Belgium, Holland and other European states? Is there no such interest in them as there is in the inscrutable and speechless Vatican?

It is a pity that a book like this has no illustrations. Graphically though the author presents to us scenes and persons, his work would be much enhanced by views of the Vatican buildings, old and new, its great annex of the Basilica of St. Peter's, its extra territorial possessions, like the Lateran, San Gandolpho and the portraits of the eminent men of Church and State mentioned throughout. However, this may be considered for future editions, for future editions there should be.

When future editions appear, the author will no doubt improve on some of his interesting speculations. None of the four Cardinals of America, that is, the United States, plus the two others in Quebec and Rio de Janeiro, are bothering about the chance of succeeding Pius XI. They are well off where they are. People in the very far West, Protestant as well as Catholic, would no doubt be highly gratified to have the principal incumbent there admitted to the Sacred College of Cardinals, but he is not worrying about that; the aspiration is a local one, not personal. No sensible Catholic cares whether an Italian or an Abyssinian governs the Church, provided he is capable. Neither is any Cardinal or prelate in the United States, of whatever degree, uneasy about the Papal budget. They all have their own troubles in budget matters just now, and the marvel is how in these days of stress and storm, when creditors press, they manage somehow to keep the confidence of those to whom they and the churches under them are indebted. They trust the Pope as he trusts them.

There is really no so-called "Americanism" in the Catholic Church in this country today, nor even an Americanistic tendency. There never was. The Encyclical of Leo XIII on this matter was a caution, not a reproof. A few, very few, non-representative clerics advocated things, not doctrines, that did not dovetail with received Catholic practice. One of them, perhaps the most vocal, was soon after made Bishop. The chapter on Catholicism and Americanism is scrappy, not in a sense of belligerency, but just scrappy. Why introduce such irrelevant topics as Guardians of Liberty, Ku Klux Klan, the Y. M. C. A.—that the Vatican never so much as noticed?

It may seem ungrateful to pick flaws in a work of such merit as Seldes'; but it is just because he has essayed such a gigantic task he could not master everything. A process for the beatification of any Servant of God need not take fifty years. Laborious as it is, it may possibly be concluded, as one process of a native American Indian may be, in three or four years. Spiritualism no longer "may come to the notice" of the Holy Office; it has already been condemned. Numerous is altogether an exaggeration for the thefts of consecrated hosts, whether for the "Black Mass" or other purposes; the other purposes are for pawning the precious metal in which they are contained, and this seldom occurs. There never was a movement to have the eleventh edition of the Encyclopaedia Britannica put on the Index.

There is no such thing anywhere in the Catholic Church as having a director of reading, Jesuit or any other, for the reading of the faithful. Cardinal Satolli returned from Washington to Rome in 1896. Pius X became Pope in 1903, so that the Cardinal could not have been his envoy. But these are minor blemishes.

* Harper and Brothers, New York, $3.75.

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WE RECOMMEND

THE OPPERMANNS, by Lion Feuchtwanger. A powerful contemporary historical novel of the Jewish tragedy in Germany. (Viking Press. $2.50.)

THE CRUCIFIXION OF LIBERTY, by Alexander Kerensky. The exiled voice of Russian democracy flings a stinging challenge at the cult of dictatorship. (John Day Company. $2.75.)

A JOURNAL OF THESE DAYS, by Albert Jay Nock. Caustic comments by an inveterate individualist on the collectivist trends of the times. (William Morrow and Company. $2.75.)

Robert Montgomery and Norma Shearer play the leads in a story of the very rich

Tinsel Soul

Refurbished Norma Shearer film gives her little chance to display her talents

By LOUIS WEITZENKORN

RIPTIDE, a Metro-Goldwyn-Mayer production with Norma Shearer, Mrs. Patrick Campbell, Herbert Marshall and Robert Montgomery. Written and directed by Edmund Goulding.

RIPTIDE is nothing more than the refurbishing of an old Norma Shearer picture called *A Free Soul*. If you have a minute or two to spare from the breadline you may look at this picture and try to find some amusement in the antics and the love-life of the very rich. Mr. Goulding, who announces himself as the writer of this story as well as the director, has fitted up a Mayfair in the image of Malibu Beach. For good measure, he has thrown in a sort of dialogue that might be called Oscar Wilde with S. Jay Kaufman.

You can get some idea of the British aristocracy from one line used by Lady Rexford's maid when the Lady suddenly decides to go to St. Moritz.

Yawning into Lady Rexford's face, the maid says:

"If you're going you'd better step on the gas."

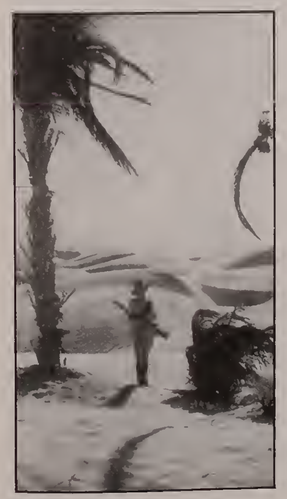
However, since the rise of Ramsay MacDonald, perhaps that's how it's done today.

Riptide begins with the promise of a charming love story. Although no background is given to the character portrayed by Norma Shearer the fault is forgotten in the pleasantly original episodes of the first reel. In fact, the excellence of the picture's opening is its undoing, for in establishing a love story that is utterly beautiful and tender the neurotic activities of the heroine during the remainder of the film become incredible.

One is asked to believe merely by the insertion of a line of dialogue that after a dreamlike courtship and five years of happy marriage, Lady Rexford's life has become somewhat intolerable. All that her husband has given her is a title, a mansion, squads of servants and the choice of London society. She also is the exceedingly happy mother of a daughter. Up to this point there has been no end of closeups of Norma Shearer and Herbert Marshall embracing each other.

From this point, Lady Rexford goes on five reels of flirtation and drinking, all done in the mood of such utter farce that when her drunken admirer topples from a balcony into an *al fresco* dining room the audience is moved to mirth, thinking that it is all in the spirit of a Chaplin comedy. The picture then gravitates toward reconciliations, renunciations, jealousy reborn, jealousy stifled, lawyers, talk of divorce and finally that last conference in the executive office, when the ending is decided upon and the film comes to its happy end.

It seems rather a pity that the talents of Norma Shearer, Herbert Marshall and Robert Montgomery should be allowed to dwindle away on such old-fashioned material. Miss Shearer has a rare and mature beauty that deserves a story of some solidity. There is nothing in her of the fatuous type which the pictures usually glorify as heroic. Her ability as an actress and her poignant beauty would better fit a play like Galsworthy's *The Fugitive*, instead of the inept nonsense of Riptide.



Portraying adventure and danger in the desert, "The Last Patrol" features McLaglen and Karloff

WILD CARGO, a Van Beuren production. Featuring Frank Buck and an interesting assortment of animals.

THERE is so much fascination to the portrayal of animal life that the obvious staging which must be done in a picture of this type is easily forgotten. When a python strangles a black leopard one is quite aware that a man stood by, watching and turning the crank of a camera and that the fight could have been stopped—all in the interest of humanitarianism. When the same python swallows a pig we know, too, that Mr. Buck was at hand to record the feast for the delectation of audiences which would still revel in the Roman circus.

This is in no sense a condemnation of Frank Buck nor his picture. The cruelties of trapping animals are compensated for in the permanent record he has made of the lives of beasts. And there is something to be learned and admired in that noble animal, the elephant. Here, at least, dignity has been preserved.

THE LOST PATROL, an RKO-Radio production with Victor McLaglen, Boris Karloff and Wallace Ford. Directed by John Ford and the writing attributed to Dudley Nichols.

ALL pictures of this type must inevitably suffer in comparison with Beau Geste. With that as a standard of men killing Arabs in the desert, this picture doesn't quite come off, for in spite of the excellence of its atmosphere it still remains a story told for sub-adolescents.

The mechanics of the business, as it has been exposed recently, has taken the savor out of that form of patriotism which calls men out to face death for profiteers. In this instance a patrol of British soldiers get themselves lost in the desert and are picked off, one by one, by Arab tribesmen.

Finally, with the cheers of the audience, the last of the band massacres a dozen Arabs with a machine gun.

There is very little money to be made in releasing pictures on the desert circuit, and we may judge from this film that the Arab has now taken the place of the Mexican as the villain of the screen.

It is hard to understand why British soldiers should be shooting down the natives of Arabia, and the delight of the spectators who cheer these killings.

NEW YORK vs. The Wage-Shark Racket

By ISAAC DON LEVINE

On November 25, 1933, TODAY published an article entitled "Blood Money in Kentucky" which exposed the operations of the loan shark agencies in that state. Last month Governor Ruby Laffoon signed an effective anti-loan shark law passed by the Kentucky Legislature in response to an aroused public opinion. The New York Legislature has before it now the Cilono-O'Mara Wage Assignment bill, aimed at wage sharks. On two occasions a similar measure has met with defeat at Albany.—THE EDITORS.

AMONG the widespread rackets which prey upon the purchasing power of the common people, none is more vicious than the wage assignment evil. It is practiced by unscrupulous "easy payment" dealers, in the time-honored manner of a confidence game. These dealers and their solicitors sell cheap goods at fantastic prices to unwary customers who are tricked into signing a "receipt." The customer later discovers that he has signed a power of attorney, enabling the vendor to collect the entire wages, to seize the insurance or any other property of his victim.

Hundreds of millions of dollars are drained annually all over the United States from the low incomes of wage and salary earners by the operations of merchant-sharks. The Empire State is afflicted with this social canker more than any other part of the nation and pays a heavier toll to the swindlers of the people's earnings, although in recent years the wage assignment racket has grown acute in all the major industrial centers of the country.

How does the wage assignment racketeer operate? His solicitors and salesmen penetrate the home as well as the factory. Take the typical case of the boy employed by Procter & Gamble, as reported in their house organ. He bought from the salesman of a disreputable instalment company a ring as a Christmas gift for his girl. He had the ring valued; the stone was worthless and the metal dipped. The company refused to take it back. His employers received an assignment of wages, the boy was furious, but was finally convinced that not even a lawyer could help him. He had signed away his wages for that week and had to sacrifice over-time money as well.

HERE is a scene which may be observed any day in a New York City street, as described graphically by Rolf Nugent, secretary of the New York State Wage Assignment Committee. A manhole cover is removed and a guard rail placed around the opening. Men are at work below. A sharp-eyed young man leans over the rail and talks to the workmen.

"How do you like this watch?"

"How much?" comes from below.

"A dollar down and a dollar a week. . . . No dollar? That's easy." The young man takes a dollar bill from his vest pocket. He'll make the down payment. "Just sign this receipt and the watch is yours. If you don't like it, you can bring it back." He pins the dollar to the signed paper, places it in his pocket portfolio, and the sale, as far as he is concerned, is complete.

The same act, with perhaps a change of scene to the roundhouse, car barn, or power plant, is re-enacted hundreds of times a day in New York and equal hundreds of times elsewhere—wherever state laws lend themselves to ready collection against wages.

One of the credit racketeers in New York, narrates Mr. Nugent, recently filed an assignment of wages with a transportation company against a Portuguese fireman who had been sold a diamond ring. The price was $100; payments were $2 a week. The paymaster had the ring appraised. It was a faulty chip diamond; $30 would have been a fair retail price. Since the fair price was repaid in fifteen weeks by instalments, the purchaser paid $70 for the use of an average of $15 for fifteen weeks. The interest rate was 1,600 per cent.

The fireman was not taking his beating without vociferous objections in Portuguese. He thought he had taken the ring on approval and he wanted to give it back. But the store disclaimed any of the promises of the salesman—the sale was complete and the merchant wanted his money. The salesman never came back.

THE records of New York public utility and other large corporations show a steady increase from year to year in the number of wage assignments. Approximately one out of every fifty-five such employes had an assignment against his pay executed last year. But for every worker who lets his wages be seized, there are many who pay tribute to the seller of glittering objects.

There are at least sixty known concerns in New York City which specialize in wage assignments as security for sales on the instalment plan. In most cases, the power of attorney for the assignment of wages forms an inconspicuous part of a long contract. The purchasers are led to believe that the paper is a receipt. It is a common practice for salesmen to leave jewelry with employes at their place of work, with no down payment. All they ask of their prospects who are tempted to take the goods on approval is to sign on the dotted line.

"The wage assignment device, whether in connection with personal loans or conditional sale contracts, is one of the most paralyzing instruments that can be devised," writes Judge W. Bruce Cobb of the New York City Legal Aid Society, which alone handles every year thousands of wage complaints.

"Shall unregulated wage assignments be permitted to continue? Those of us who see the painful results and who at the same time are not mere visionaries either in the field of social justice or in that of economics, cry out for some effective regulation whereby the wage earner may not and can not assign without restriction his entire future earnings."

The assignment of wages is an instrument used in the early days by merchants to secure their advancing of supplies to seafarers and lumberjacks, and to their families in their absence. Later, wage assignments were taken over by the loan shark business. From that racket it spread to the instalment credit field. With the extension of instalment selling, which now embraces about forty per cent of the wage and salary earners in the United States, disreputable dealers discovered that wage assignments permitted speedy and effective collections without the expense and delay of securing judgment and making salary levies through marshals. From that point it was only a step to swindling unsuspecting customers, by tricking them into buying wares which they did not need, and by using the wage assignment as a club over their heads. And the law has been powerless to assist the increasing number of victims.

The large and reputable instalment selling companies do not resort to the wage assignment device. But within the huge scope of instalment credit, which has an annual turnover of $5,000,000,000, the racketeers find fertile opportunities. The danger, as pointed out by investigators, arises when the seller of goods is at the same time a seller of credit.

When goods are sold on the instalment plan, these two entirely different business operations of selling and extending credit are conducted by the same person, and there is danger that the seller, in his desire to sell goods, will at the same time extend credit which is beyond the capacity of the buyer to pay.

The plight of innumerable victims of the racket led to the rise of a New York State Wage Assignment Committee, representing public-spirited societies. This organization has sponsored several attempts at Albany to pass legislation designed to stop the organized swindlers of the people's credit. Twice the attempt was defeated.

"It has become more imperative than ever to pass the Wage Assignment bill which was defeated at Albany last year," reports Allen Wardwell, president of the New York Legal Aid Society. "The seizure of the entire wages of employes through this device in connection with instalment sales must be prevented."

While various efforts are being made to *raise* the purchasing power of labor, not enough is being done to *conserve* the existing purchasing power from the social parasites which sap it. The great majority of the urban centers of the country are infested with racketeers who thrive without hindrance on the meager earnings of millions of workers. And the smaller these earnings are, the more exposed they are to the raids of confidence men and the less protected they are by the law, although in their sum total they represent the lion's share of the nation's purchasing power.

Drawn for TODAY by Fred Matthies

"A dollar down, a dollar a week! . . . No dollar? . . . Easy. Just sign the receipt!"

Controlling Prices Under NRA

(One of Today's Lessons in Government)

By SCHUYLER C. WALLACE

Department of Public Law and Government, Columbia University

CAN no way be found to stop the fall in prices? Is there no way to eliminate cut-throat competition? These were the questions which were on the tongues of thousands of business men throughout the country as the downward spiral of the depression ran its course. Without question, one of the chief reasons the business community has supported the National Recovery Administration thus far is because it sees in the recovery program possibilities of price stability unattainable under the anti-trust laws.

The price control devices which have been written into the codes vary from industry to industry. For the most part they fall into four categories: Those establishing minimum prices; those prohibiting the selling of commodities below the cost of production; those establishing open-price arrangements of one sort or another; and those designed to limit production.

At least six different formulae are to be found. In some of the codes provision is made for minimum prices which "shall be fair and reasonable"; in others, "they shall equal the 'lowest reasonable cost of production.'" In still other codes, minimum prices are to equal "the cost of the 'lowest representative firm'"; and in others still, these prices are to be "compensatory."

One need not be a master of rhetoric to realize that these phrases in fact mean nothing.

A little more helpful, possibly, are two other provisions which frequently appear in the codes. At any rate, they are more specific. "Minimum prices shall equal the 'weighted average cost' of production"; "minimum mark-ups shall equal the 'modal' cost of handling and selling." Here at least are two mathematical formulae on the basis of which accountants can direct their efforts in the calculation of minimum prices.

One cannot help but wonder whether it will be at all possible to formulate a system of minimum prices on any grounds other than expediency, and—more important—whether it will be possible to enforce a system of minimum prices once it has been established.

A second provision common to many codes is that which prohibits the selling of an article below the cost of production. The cost of production referred to in most cases is the cost of each individual firm. If this provision is to be taken at its face value it automatically eliminates from the business community all firms whose costs of production "exceed the current market price." The enforcement of such a provision would obviously cause a price rise in the market of an exceedingly dramatic character and create an unemployment situation of no small magnitude, not to mention a problem of law enforcement beyond anything with which the government can at present hope to cope. To avoid the difficulties inherent in this situation, a considerable number of the codes specifically permit a member to sell below cost if it is necessary for him to do so in order to meet his competitors. And all of the codes have been interpreted in a fashion which makes such price cutting possible.

Just what these provisions, so interpreted, are designed to accomplish is difficult to understand. They do, perhaps, place a bottom in price cutting, at the cost of the lowest producer. In theory the initiative in price cutting can now come only from those who are facing cut-throat competition, and that price cutting cannot go below the price that the lowest cost producer is able to charge and still make an acceptable profit. But in fact, the problem of enforcement is inconceivably difficult. One need only mention the complexities involved in setting up a cost accounting system in those industries in which the items produced run into hundreds if not thousands, without making any reference to the varied and diverse methods of evasion.

A third technique, which has been extensively used in the codes in an endeavor to introduce price stability, is the establishment of open price systems. Such codes usually "require that within a specified period after the effective date the members of the industry must file with the code authority or some other designated body the prices, discounts, and terms of sale on which they are transacting business. Thereafter, until revisions of these schedules have been duly put into effect, the members are forbidden to carry on business, except in some cases with express permission, at prices or on terms other than those filed."

This technique may be useful as a supplementary measure to other forms of price control. Without it, the enforcement of the provisions relating to minimum costs or sales below cost of production will be virtually impossible of administration. It may also be used, one might remark, to develop monopolies in those industries in which the other requisite factors for the development of monopolistic conditions are present.

How effective it will be in introducing price stability into those industries in which semi-monopolistic conditions do not already exist is exceedingly dubious.

The possibilities of evasion are almost legion. An attempt has been made to forestall such evasions in a number of the codes by characterizing them as unfair trade practices. Among those most frequently mentioned are: "(1) Excessive contributions to customers' advertising costs, (2) the purchase of his receivables, (3) the payment of excessive rentals for use of a part of his premises, (4) loans to or endorsements for him, (5) the purchase from him of patents, stocks of competitive materials or other articles, (6) offering him products not subject to the code at abnormally low prices, (7) the purchase of capital stock or other interest in his business."

A fourth and final method which has been resorted to in an endeavor to introduce price stability into industry is "through control of the supply of goods coming on the market." This technique has had two developments: First, "the allotment of production quotas to individual members of industry"; and second, a "uniform limitation on machine hours."

The problem of anticipating consumption, be it remarked, is in and of itself no easy one, for, in many things at least, consumption is inextricably tied up with the price level. The device consequently may easily become a mere technique for propping up the price level through the curtailment of production.

The sum total conclusion to which one is seemingly forced is that although in those industries in which cut-throat competition and price instability is a serious problem, price fixing, prohibiting selling below cost and open price associations may exercise a beneficial influence for a time, they will, sooner or later, break down. In those industries in which the stage is otherwise set for monopolistic developments they will, in all probability, constitute a definite stimulus to such development. The only really effective technique in the introduction of price stability into industry is control of production. It has, however, very distinct disadvantages, not least among which is the fact that it may very easily become a weapon in the armory of the monopolist.

Thus we are again faced with a dilemma. Price control mechanisms will prove of little or no value in many industries; in others they may well be effective. Their effectiveness will, with few exceptions, be in direct ratio to the presence of certain other factors conducive to monopolistic developments within a given industry.

Insofar as those industries are concerned in which these devices may be used effectively, three courses are possible—a retreat to the anti-trust laws, uncontrolled monopoly, government regulation.

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Literature of the New Deal

UNDER the title *Price Control Devices in the NRA* (The Brookings Institution, Washington, D. C., 1934, 50 cents, 45 pp.), George Terborgh presents an exceedingly able analysis of this aspect of the first 250 codes. To a very large degree, my own discussion of the subject is based on Dr. Terborgh's analysis. Members of the business community may well read this little brochure with interest and profit.

AMERICA GOES SOCIALISTIC (Dorance and Company, Philadelphia, 1933, $1.75, 146 pp.) by Henry Savage, Jr., is an attempt to interpret what, for want of a better phrase, might be called the governmental drift. As the title of his volume indicates, the author is more and more impressed with the fact that we in America have been gradually abandoning the *laissez faire* state. And as he piles his evidence, Ossa on Pelion, one begins to suspect his hypothesis may be correct. One of the most interesting passages in the book is a comparison of the New Deal legislation with the Socialist platform of 1912. Although there is nothing startlingly new in Mr. Savage's thesis, he does nevertheless present an interesting assemblage of substantiating data.

HITLERISM INVADES AMERICA

(CONTINUED FROM PAGE 7)

all felt at this hour that they are holding the front line, whose defense is tremendously important to the German people. . . .

"The Consul-General Dr. Kiep greeted the participants in the name of the German Government; and he, too, pointed out the special duty of German Nationals in foreign lands."

October 1, under the heading, "Local Group, Los Angeles":

"Through the energetic endeavors of the League not only were the Swastika and the Black, White and Red Flags hoisted during the speech of the German Vice-Consul, League-Member Dr. Gyssling, on the occasion of the celebration of the German Day on September 17, but the German Reich banners waved also proudly in the wind during the later part of the celebration."

October 16, under the heading, "Hindenburg Celebration Aboard the Steamer Bremen" (New York):

"A great number of our resident German nationals took part in the extremely successful birthday-celebration given in honor of the father of our Fatherland, our President Paul von Hindenburg. Nearly three thousand were present and many had to be sent away because of lack of accommodation.

"Consul General Borchers and League Leader Heinz Spanknoebel spoke, as they always do, in their convincing manner.

"The celebration ended with the singing of both National Anthems and the Horst Wessel song."

"Local Group, Detroit: The Hindenburg celebration of the Local Group, Detroit took a worthy course. Speakers were the German Consul, District-Leader Strauss and the Local Group Leader Dr. Giess. It was a joint meeting with the Harmony Club."

"Local, San Francisco: League-Member Lohmann introduced the Vice-Consul General, Dr. von Berchen."

"Local, St. Louis: On Sunday, October 8, 1933, the first meeting of a group of the Friends of the New Germany took place at the German House. Dr. Doellefeld (the German Consul) explained the aims of this movement. . . . Joyous assent was given as Mr. Gewinner, president of the North American Veterans' League, greeted the new League, promising his active cooperation.

"A special pleasure was the presence of the honor guest, Prince Ferdinand Louis, of Prussia. The meeting came to an end with an hearty 'Heil Hitler!'

"On Sunday, October 22, the official establishment of the Local Group, St. Louis, will take place. League-Member Walter Kappe will speak on the tasks and aims of the movement."

Kappe and Consul Jaeger Speak

November 1, under the heading, "Local, Chicago":

"Lecture Evening, October 14: The Consul General, Dr. Jaeger, who was welcomed with thunderous applause, was a guest. After the singing of 'We Are the Army of the Swastika' the chairman introduced the former League Leader of the Local-Group, Chicago, Walter Kappe, who had come over from Cincinnati. The theme of his speech was the mission of German Nationals and the tasks of the League . . . The next speaker was Consul General Jaeger, who said:

"'I salute the spirit which prevails among you, the spirit of the Fatherland. We as officials, want to enlighten and to work hand in hand with you. In the interest of all, in the interest of the Fatherland, let us cooperate heartily and we shall succeed.'

International

Dr. Georg Gyssling, German Consul at Los Angeles

"District-Leader Ex thanked the Consul General for his warm words, the influence of which will make cooperation successful and bring about a closer connection between the Consulate General and the League."

"Local, Los Angeles: On October 5 we observed the Hindenburg Celebration in the presence of the German Consul, Dr. Gyssling."

December 1, under the heading, "Local Group, Philadelphia":

"On October 9 a memorial took place in the rooms of the Philadelphia Quartet Club, . . . League-Member Rev. E. Saul recalled the heroes who, in 1923, had given their lives in the streets of Munich, the death of the Storm-Troop Leader Horst Wessel and many others who had died for the cause of a unified Germany. He then asked the listeners to stand in silent honor to the dead. After one minute the song 'I Had a Good Comrade' was softly played by the orchestra. . . .

"The German Consul, Mr. Arno Mowitz, too, addressed encouraging words to the listeners."

December 16, under the heading, "D.H.V. (German Merchants' Association) Local Group, New York":

"For those members and friends who were unable to attend our annual celebration on November 25 we give herewith a short report.

"Local Group Leader Reinhold Walter (of the Friends of the New Germany) opened the meeting. He introduced League-Member Walter Kappe, Local Group Leader of Cincinnati, who gave a bird's-eye view of the development of the Hitler movement in the United States.

"In the spotlight of the evening stood General Consul Dr. H. Borchers, who was enthusiastically applauded."

Since January, 1, 1934, official reports of the local groups of the Friends of the New Germany have appeared in the *Deutsche Zeitung*. In its columns have appeared the following:

January 26, under the heading, "Local, San Francisco," a report of an anti-boycott meeting at the *Deutsches Haus* on December 21, 1933, said: "Local Group Leader Lohmann expressed thanks for the presence of the representative of the German Reich, Consul General Dr. Heuser, who had just returned from Germany. Under hearty applause Dr. Heuser brought the greeting of the resurrected Reich."

February 3, in the report of the celebration of the anniversary of the Reich at the Central Opera House (New York):

"After the welcome by the Local Leader Walter, Consul General Dr. Hans Borchers began to speak. He referred to the coincidence of the sixty-third anniversary of the day on which Bismarck's Reich was accomplished and the anniversary of the day on which Adolf Hitler became the renewer of this Reich. He described with earnest words the miracle of the German regeneration, the end of the little states of Germany and the reawakening by Hitler of the National Pride of the Germans. Going on to the vile propaganda directed against Germany and all German endeavors here in America, the Consul General dealt with the basic principles of our position towards America. He said:

"'We have no intention to toss aside the Constitution and the laws of the United States, as it has often been asserted. For that we have Hitler's own word, that National Socialism was never interested, and never will be, in carrying on national-socialist propaganda.'

"A roll call of German Nationals to answer for the old Fatherland ended the well-applauded speech."

This report is of particular interest, since it is the first record in a Nazi newspaper in the United States of any denial of propaganda.

On February 10, the *Deutsche Zeitung*, under the heading, "Celebration of the Founding of the Reich in Philadelphia," said;

"On Tuesday, January 30, the celebration of the founding of the third Reich took place at the Quartet Club. Despite a vile slander on the part of the press it took an orderly and impressive course. After a musical recital, League Leader Fritz Gissibl, who had come from New York, was introduced. His words were about the movement in America and the duties of the German Nationals towards Germany and America were greatly applauded. With an appeal to do as the Germans in the Fatherland, i. e., to develop and to gain the cooperation of all men and women of German blood in America, the League Leader ended his speech. . . . The representative of the German Reich and the Rev. Molzahn expressed their satisfaction over the successful celebration. The official part of the evening was closed with the singing of the Horst Wessel song."

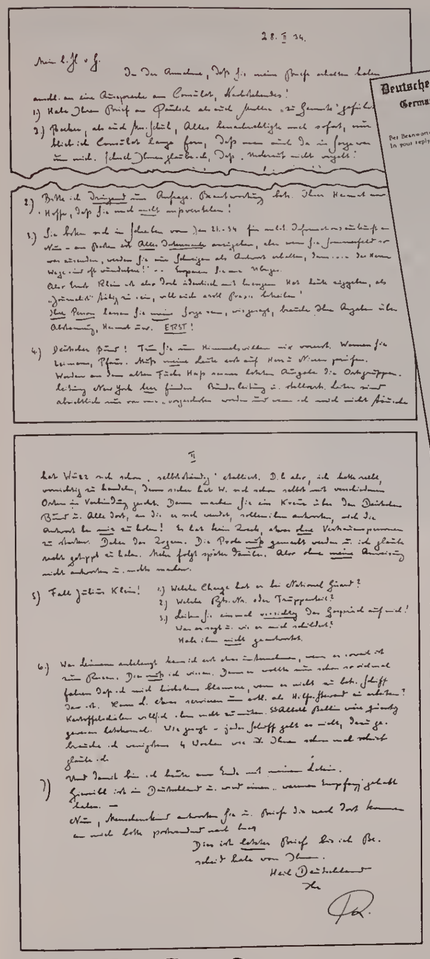
Tannenberg Attacks the Press

February 24, under the heading, "Local, Chicago:"

"At the meeting on January 18 the guests of honor were the acting Consul General, Dr. W. Tannenberg, and Consul Dr. E. Noehring. Consul Dr. Tannenberg delivered a stirring address, which ended in an enthusiastically-received 'Heil' for the German people and their great leader. . . . During his speech Dr. Tannenberg emphasized especially how through absolute lack of understanding of German affairs or through the traditional maliciousness of the largest part of the American press the American people received a totally wrong picture of the New Germany. Granted that this American press is incapable of understanding German things and specific German qualities and the logical situations resulting therefrom, they should at least have enough decency to omit their incessant insinuations. . . ."

March 10, under the heading, "Local Philadelphia," giving a report of an "enlightenment" evening on February 20 at which there

(CONTINUED ON PAGE 22)



Deutsches Generalkonsulat
German Consulate General

New York den 15.Febr.1934
17 Battery Place

Herrn Victor von Gerhard,
4730 Malden Street,
Chicago, Ill.

Sehr geehrter Herr von Gerhard!

Nach Erhalt Ihres Schreibens habe ich mit Herrn Paulig ueber die Sache gesprochen. Er hat mir mitgeteilt, dass er sich nach Eingang Ihres Schreibens an ihn den Versuch gemacht habe, sich mit Herrn Reinhold in Verbindung zu setzen. Dies sei ihm erst nach einiger Zeit gelungen: Herr Reinhold habe ihn persoenlich ueber das Telefon gesagt, er habe Ihre beiden Briefe erhalten, infolge eines Umzuge sei er jedoch bisher zu der Beantwortung nicht gekommen. Er werde die Briefe sogleich beantworten, sodass Herr Paulig die Sache seinerseits als erledigt ansehen koenne.

Mit Rucksicht hierauf hatte Herr Paulig, der uebrigens kurz darauf dienstlich verreisen musste, davon abgesehen, Ihnen noch besondere Bescheid zukommen zu lassen. Jedenfalls sind Ihre Befuerchtungen, dass Herrn Reinhold etwas zugestossen sein koennte, unbegruendet.

Ihr sehr ergebener

Mueller

The letter, dated February 28, from William Reinhold to Victor von Gerhord (left) reads in part: "I have 'duly impressed' your letter on Paulig as well as Mueller . . . You offered to get me military information! The best thing is tell me everything interesting . . . Germon League! For Heaven's Sokes, don't do onything for the time being. You worn Leimann, Pfaus . . . You will find in the last edition of the old fax Heiss that the space for leadership of the New York Local is blank. I have deliberately 'mode provision' for the national leadership of the League and for substitute leaders . . . Don't do anything without my instructions."

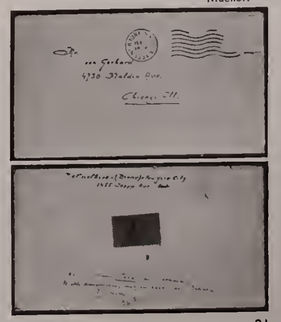
"I will send you a code for postal cords," is the message on the bock of this envelope oddressed to von Gerhord

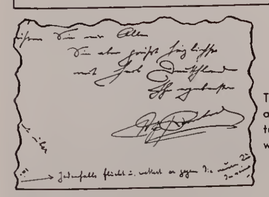
Herr Mueller of the German Consulate in New York wrote to von Gerhard, in the letter shown above, on February 15, in port, as follows:

"After receiving your letter I have spoken to Mr. Paulig about the matter. He has informed me that immediately after he received your letter addressed to him, he made an attempt to get in touch with Mr. Reinhold. He only succeeded in doing so after some time; Mr. Reinhold told him personally over the telephone that he had received your two letters, but that due to his moving he had not gotten around to answering.

"In view of this, Mr. Paulig—who, by the way, shortly thereafter had to leave on an official trip—refrained from sending you o special notification. In ony event, your fears that something might have hoppened to Mr. Reinhold are unfounded.

"Very respectfully yours,
"Mueller."





The portion of the letter at left shows the signature of William Reinhold, writer of the letter at top left of page

was a lecture by Doug Brinkley on "Germany As I Have Seen It":

"That the German Consul, Mr. A. Mowitz lent more of an official aspect to the evening by his presence not only goes without saying but also was most highly appreciated. His remarks to those assembled were received with great applause.

"The meeting held on February 22 gave us a combined celebration dedicated to American and German heroes. Lincoln's and Washington's birthdays were acclaimed by Local Leader Germershausen, and the dying day of Horst Wessel was made the occasion of a detailed account of the life of this young hero of liberty by the nephew of the author Hans Heinz Ewers, Consulting Engineer Klaus Ewers.

"Mr. Kimss, first officer of the steamer Frankfurt, gave a report from the Fatherland, and the Storm-Troop of the steamer delighted with the recital of liberty songs, etc."

March 24, under the heading, "Local, New York":

"The representative of the German Consulate transmitted the greetings of the Fatherland and wished the Youth Movement an early achievement of its goals."

League of Clubs Planned

In still another instance, a German Consul was of service in the active organization work going on in this country.

Last Fall a man who called himself William Reinhold (among a variety of other names) was busily engaged in plans for the formation of a German League, which was, he wrote, "intended to embrace all German clubs in the United States."

Particular attention was to be paid to those which "emphasize the nationalistic attitude and stick to the Reich and the German people: no Jews and no Communists; free discussion—which was forbidden in the League of the Friends of New Germany."

"Why again something new?" he wrote at another time from one of half a dozen places in New York which he used as headquarters. "I give you the answer:

"We want to spare the German Government diplomatic complications, which it absolutely must not be involved in at the present time.

"Such ideas (i.e. Germany's) cannot be forced into this country by radical action because even here they (the Friends) are organizing units of the Storm Troops, which will end in the suppression of their organization."

Convinced of Reinhold's Standing

One of the men with whom Reinhold was in close touch and correspondence was Victor von Gerhard, of Chicago, executive secretary of the Russian-German Alliance.

In February, last, von Gerhard wrote several times to Reinhold without getting any response.

Von Gerhard became alarmed and wrote to the German Consulate in New York asking for word of Reinhold.

Consul Paulig made immediate inquiry and Gustav Mueller wrote von Gerhard that "your fears that something might have happened to Mr. Reinhold are unfounded." Apparently von Gerhard was not entirely satisfied. He wrote again to the Consulate and again Mueller found time to reassure him. "Mr. Reinhold has been here today personally," the Consul wrote. "He confirmed once more that he has received your three letters." Shortly thereafter von Gerhard came to New York, and was taken by Reinhold to the Consulate. He went away convinced of the standing Reinhold held in official circles.

Acme

Adolf Hitler
Chancellor of Germany

THE serial publication of the facts regarding the invasion of America by Hitlerism ends with this article. In summary, it has been shown:

That an American division of the Nazi Party was set up in this country by official action, and that members of it were actively recruited;

That Nazi doctrines were even more actively spread through the organization of the League of the Friends of the New Germany, whose responsibility ran (and still runs) direct to the *Auslands Organization* of the Nazi Party in Germany;

That by wile and by force the Friends of the New Germany took over scores of German-American societies and associations, and that locals of the Friends have been set up in nineteen communities of the United States, while organization work is being pressed in half as many more;

That battalions of Storm Troops, wearing the uniform and working under the discipline of the *Sturmabteilung* of Germany, have been set up in connection with many of these locals;

That wholly American organizations trafficking in the hatreds and working toward the reprisals that have marked Hitlerism in Germany have sprung into being, notably the Silver Legion;

That in nearly every city where the Friends of the New Germany have established themselves, German Consuls have given at least the countenance of their presence to activities of the locals;

That the preaching of the doctrines of Hitlerism, fundamentally and completely in conflict with the political and social principles of America, goes on systematically throughout the United States.

With this showing, TODAY rests the case against Hitlerism in America for the time.

The AAA Studies Milk Control

AS the planting season begins in the North and first cotton checks for 1934 trickle into the South, the Agricultural Adjustment Administration program for the coming year has begun to gather speed.

Beginning the second crop year under the AAA, the control of dairying is proving to be one of the most baffling of the many complex problems presented. An outsider might well suppose that milk control would be the simplest task of the AAA. Dairying is the industry which most nearly matches its market, among all the great departments of agriculture. We export little of our dairy production, we import little of our dairy consumption. Milk and the consumption of milk more nearly match each other than any other of the large groups of farm products.

Yet the control of milk production is a growing worry. It is seen that by June a great gallonage of milk will be poured into the market, to hammer the price down to the old levels, if not below.

There are more dairy cows in America than ever before—26,000,000 of them. To put a throttle on the seasonal flow of milk, and to keep it within bounds, the agricultural adjusters are installing a production control system modeled upon that of grains and cotton.

Obviously, the decline of demand for milk is a reflection of the low buying power of city populations, and the market there depends, therefore, upon the effectiveness of industrial recovery. Yet the very measures of industrial recovery get in the way of effective milk distribution and increase the spread between the prices farmers receive and city men pay. The largest item in cost of milk distribution is the wages of drivers, and these run up to $40 a week under union conditions.

The AAA plan is to hold dairy production close to where it was during the Winter, and to prevent the Spring increase so damaging to prices by paying farmers who will contract to reduce their sales between ten and twenty per cent from their 1932-1933 average. These benefit payments are to be about forty cents for each pound of butterfat which they reduce, or about $1.50 for each 100 pounds of reduction in surplus fluid milk. The plan would run for one year, and would cost around $165,000,000, with possible extension to $300,000,000. The cost would be met by processing taxes.

Response from the farmers has been mixed, but there is no doubt of a stronger opposition to the plan than has been raised to any other of the AAA crop programs, excepting that for sugar.

Milk Market is Widened

Probably the rise of industrial payrolls—"the spreading of purchasing power"—will mean more to the milk producers than any other factor, regardless of the AAA program, but the AAA designs its elaborate plan to fit in with this upward movement of industry. Milk is supposed to be a necessity, but in many homes it is a luxury, and wage increases and re-employment are putting thousands of people into the milk-buying class.

The whole problem must be regarded as another of the moving complexes which can be understood only so far as the element of motion in them can be understood. The AAA is trying to go places; the goal is not very clear, and may not be a goal at all when it is reached.

—F. R. L.

There Are Three Brains Trusts

(CONTINUED FROM PAGE 4)

is that he has so adapted the suggestions of them all that they fit into one harmonious picture. For example, it is not inflation that he has created in his monetary policy, it is a currency managed from the center of things. Recognizing the necessary place of the idea of regulation, advocated by the second school of thought, he has properly insisted upon the application of restrictive measures such as the Securities Act and the Stock Exchange bill. And finally, in addition to the creation of the NRA and the AAA, he has applied the third idea of a broad national planning of our economic life. A conspicuous example of this is the planned project in the entire Tennessee Valley.

Thus the New Deal follows the single pattern of no one of these groups. There are three Brains Trusts in policy, and no Brains Trust in actual fact.

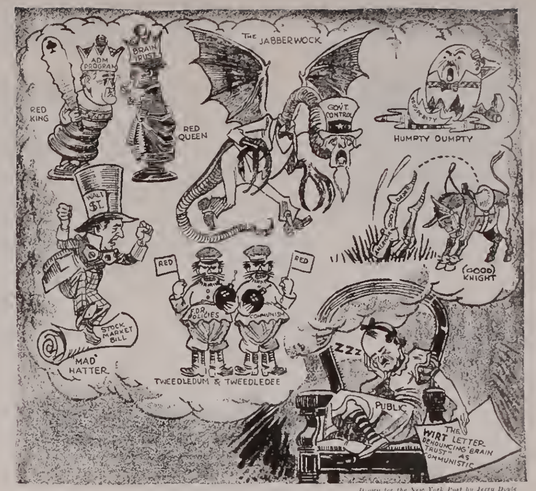
The President has utilized the thinking and expert service of many schools of thought, shaping them all into a single pattern. This, it seems to me, is the essence of statesmanship. Those who have been close to the making of this policy have profound admiration for the skill with which the President has created a new synthesis out of many old strands.

To say that this formulation into a single policy of elements that came from many schools of thought in America and from generations of governmental development in states, cities and the nation, is a thing borrowed from abroad, is to assert nonsense. In the two years that have passed since the first policy meetings, I have been present at scores of conferences, not only among the various people who have assisted, but in their contacts with the President. I have never yet heard a person, outside of one evangelistic crackpot who called himself "head of the American Reds," mention the possibility of the adaptation of a policy now in operation in any other country to the uses of this country. The people at these conferences did not talk of Fascism or of Communism. They talked of the United States.

A Grotesque Charge

There is something grotesque in a recent statement in a financial publication that the young "Brains Trusters" who formulated the Securities Act were trying to regiment this country. If whoever wrote this statement had been present when these men were engaged in arguing the traditional American rights of small business as against those who believed in a controlled monopoly, he would never have uttered such a fallacy. If he had heard the argument as between those who favored the retention of the gold standard and those who believed in reflation, his fear of a concerted effort to destroy values would certainly have been less articulate.

Despite hysterical efforts to inflame the public against attempts to establish competence and expertness in public office, there should be some recognition of the fact that the President's dependence upon expertness is a commendable sign in the history of American politics. The thing that the President is insisting upon (and this has been the test of every individual who has contributed to furthering his purpose) is that those who serve the public should serve it with one interest in view—the much-abused, elusive but fundamental abstraction known as the public interest.



Drawn for the New York Post by Jerry Doyle

"Through the (Tory) Looking Glass"

• • •

BACKROADS: In Indiana

(CONTINUED FROM PAGE 10)

Street want to gamble, why can't they do it with their own money? Why should they be allowed to borrow from a bank money that belongs maybe to you or me?"

I HAVE been surprised to find people, even in humbler walks of life, far more interested in suppression of stock market rackets than they are in the air mail situation. More than once I have heard men say: "The President was fooled, as we all were. He thought Army fliers were better trained."

I find also a number of people in Indiana who say they are now convinced the President's biggest error was in not seizing all banks when they were closed in March, 1933, and making a government institution of the banking business.

I WALKED across the campus of Purdue University at Lafayette, Indiana, late one night with Dr. Edward C. Elliott, president of the university. Lights were burning in a number of laboratory buildings. Dr. Elliott called these to my attention. "There are naturally no classes at this time of night," he said. "Yet students are working on some line of research that has caught their interest. It always does me good to see people moved to work hard by intellectual curiosity instead of merely a desire to make money."

IN a hotel lobby, I met George Weymouth, of Spencer, Indiana, associate editor of a farm magazine, and asked him to interpret the farm situation. George gave me a kind of parable:

"A little while ago," he said, "I wished to entertain a few friends and decided to give them roast pork. I drove up to a farm and asked the proprietor what he would take for a hog. He told me I could have my choice for two dollars. I picked out a good-sized one and went my way. Then I bought a few vegetables and trimmings and we had a feast for ten people at a total cost so low you would hardly believe it. Now, the point is, if you will compare what it would cost to duplicate that much pork in a butcher shop with the little my farmer friend was willing to take for his hog, you will understand what's wrong with the farmer."

ONE keeps discovering lines of business actually helped by depression. Near Rushville, Indiana, is the biggest dog kennels I ever saw—buildings as large as cattle barns filled with dogs, of impressive physique, suitable for training to do general watch-dogging and to attack on command. The whole place, of thirty acres, devoted entirely to dog breeding and training, is so orderly and well kept, it carries an air of great prosperity.

One of the men told me they are selling trained dogs for $350 and upward, because of unusual demand, due to so much kidnaping, racketeering, and thieving.

Who would have thought hard times would help the dog business?

AS I crossed the bridge over the Ohio from Indiana to Kentucky I wondered to myself: How did we Americans ever escape having to show passports and go through customs offices between states!

Architecture of the Future

The facts point to an increasing demand for art

By E. RAYMOND BOSSANGE

"THE architects are down and out." "There will be no work for many years for architects or draftsmen." "The schools should close for a generation: there are too many architects as it is." Then as a final argument the speaker adds, "And anyway, the engineer can do it!"

Such rumors, greatly exaggerating the conditions, and frequently repeated, endanger the future of the profession. The contribution that architecture has made to civilization, its inspiring expression of the spirit, aspirations and customs of the past and its great cultural influence, for the moment at least, are forgotten. We are told there are too many office buildings in New York, that various types of buildings have been overdone in other parts of the country, that the fabricated house will decrease the young architect's chances and that standardized plans of all kinds will make it possible to dispense with the architect's services.

Significant as the situation in New York may be, it is not necessarily typical. It is not fair to judge the whole country with its extraordinarily diversified interests and conditions by the renting problem in the 42nd Street district. If not in New York, certainly elsewhere new buildings will be made necessary by the development of new civic centers and by new zoning laws, and by changes in street plans to provide better traffic communications. Vast housing and slum clearance projects are under way. Our suburbs must be rearranged and new model villages and garden cities planned. The merits of the skyscraper in the country surrounded by its private golf course has yet to be tested. City houses decorated in a modern manner, with more open plans and more light, supplied with conditioned air and other new appliances, will be in demand. New types of buildings must be produced to serve new enterprises.

THE question is, who will do all this work, the engineer or architect? In the last fifteen years there has been an extraordinary increase in the appreciation of art. In our public schools thousands of children have become aware of the significance of art. Museums of a new type have been organized, interpretive, illustrated articles have replaced dry histories and popular lectures and traveling exhibitions bring art free to those who are interested. In architecture, this newly awakened hunger must be satisfied by pleasing masses and forms, plans producing agreeable spaces and the use of more color and appropriate ornament. Thus the services of the architect will be required in that large proportion of buildings now entrusted merely to the engineer and builder.

Interest in architecture was never greater in this country than it is today. Exhibitions, magazine articles and the controversy over modernistic work have made the public architecture-conscious. Because of this interest and the conservatism this nation has always shown toward architectural innovations, we have not been swept off our feet by the organized publicity movement in favor of modernistic exaggerations. The public is beginning to realize the wonderful modern opportunities.

WE are told that people are as tired of the Renaissance bag of tricks as they are of Victorian stage properties. They are bored by ornaments that cost money, collect dust and birds' nests but do not give pleasure, sculpture representing obsolete symbolism and archaic attributes, and columns and cornices which have outlived their original purpose. But this revolt is against the prettiness of useless, inappropriate, non-expressive forms, not against the art of architecture.

It is already evident from the greater demand for color, for instance, that purely elemental forms, without color or ornament, will not permanently satisfy human beings. Airplanes, kitchen utensils, plumbing fixtures and even women's fingernails are succumbing to the desire for color. Color affects form and form affects color. To derive the finest results from the use of color, it must be studied at the same time as the form and not daubed on afterward. Can the engineer be expected to make an effective use of color?

Regardless of how popular the modern movement may become, there will always be a considerable demand for buildings in the traditional styles.

The real question is—and it is fundamentally important—shall we be willing in the future to live in a world conceived by engineers and "practical" men? Will the fact that a building is scientifically planned and supplied with plenty of plumbing, swift elevators, artificial light, fire, sound and microbe-proof walls and floors be sufficient to make us happy forever? History shows us that people in the past have not been satisfied by the merely utilitarian. When the Greeks conceived their temples they were not satisfied with the mere solution of physical needs.

Perhaps in the business district the skyscraper is justified, but is it appropriate for the apartment house? After all, we are not yet reduced to the ant or bee state of organization! People will tire of living on shafts with windows looking into each other's kitchens and bathrooms, and they will soon find that even in a fashionable penthouse soot does not take the place of dew. What an awful environment and background for children even a high-priced flat provides! It may be true, today, that in one apartment house in this city there are only three babies and twenty-seven pet dogs, but we must hope that this condition will not continue.

BEFORE a satisfactory modern architecture can be produced, a new type of architect must be educated. He must be familiar with new materials and make full use of their qualities. He must be master of the new construction systems so that they become tools to express his aesthetic concepts. That his buildings will be "functional" in character is beyond doubt, but it will be a broad, human conception of function. Thanks to science, the architect is liberated from many limitations and more free to dream than ever before. He must have imagination and a broad viewpoint and be more conscious of community requirements and social conditions, of problems of transportation and circulation. But above all, he must be capable of sensing and idealizing the human need and his own opportunity in meeting that need.

There will be work in the future, and the longer it takes to emerge from the depression the more work there will be. Architects will be needed to take charge. This is the time to study and prepare for the demands of tomorrow, and young men must be encouraged to choose this profession.

The architect is not down and out. He will soon face the most brilliant opportunities for creative work the world has offered in his field for centuries.

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by John Drinkwater

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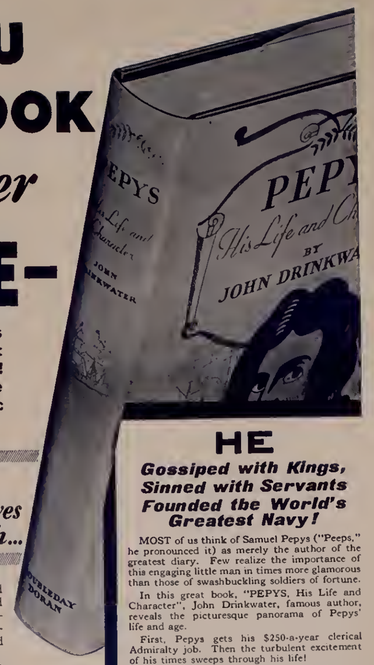

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HE
Gossiped with Kings, Sinned with Servants Founded the World's Greatest Navy!

MOST of us think of Samuel Pepys ("Peeps," he pronounced it) as merely the author of the greatest diary. Few realize the importance of this engaging little man in times more glamorous than those of swashbuckling soldiers of fortune.

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And this book's charm is as much in its portrayal of Pepys' *private* life as of great *public* events. For amorous Pepys could not keep eyes, or arms, away from the women (and often the servants) of others. Maid after maid, readier for play than for household work, was banished by Mrs. Pepys. After one enjoyable "dalliance" was discovered, Pepys had to agree never to go out except with Mrs. Pepys or his own man servant. Even this could not stay his roving emotions!

Steadily, Pepys advanced in Naval Affairs—during the Great Plague, when the stricken maliciously blew their breaths in the faces of the healthy—during the Great Fire which left 14,000 buildings in ashes! Twice he was imprisoned, once in the deadly Tower of London, charged with planning to kill the king. But after his 70 years, England called him founder of her naval supremacy!

Here, in one person and book, is Old London—its pupon pies, screaming hawkers, "shuttle-cock" games, wit debaucheries.

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March 9, 1935

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TODAY

Raymond Moley, *Editor*

Vincent Astor, *Publisher*

REVEALING THE FACTS ABOUT ATTACKS
UPON AMERICAN PRINCIPLES AND IDEALS

HITLERISM
Marches in America

The Friends of the New Germany and the Silver Shirts crumble,
but the spirit which they raised is still abroad in the land

BY GEORGE SELDES

AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS

Today's Mail

SIR: In considering the merits of slum clearance, it is easy to be carried away by attractive architectural plans and to forget that slum clearance is not a question of buildings, but of people.

Payrolls from productive industry are the only thing that, in the end, can solve the problem of our population, and that is what most of the people want. They cannot live indefinitely by taking in each other's washing or on unproductive jobs.

A proposed development in Boston, by which a modern factory and many modest dwellings will be razed, seems to me to be a clear example of money spent for destroying and reducing adequate housing for those who need it most.

R. M. BRADLEY

Boston

Move Faster

SIR: TODAY for December 29 shows the usurers to be in retreat, but they will need to move much faster to get the best results. Some observers say that one-sixth of the price of manufactured goods goes for wages; a larger proportion for interest on capital or for dividends. If the capitalists will cut their interest charges by half, hours can be reduced without reducing wages. If they will not do it, there is no other course but public ownership.

Interest could be reduced voluntarily by the capitalists, but it won't be—they are not built that way. If it is to be reduced, it will have to be through change in our present system.

J. H. HANLEY

Quincy, Illinois

Hopeful for Townsend

SIR: One advantage of the Townsend plan which has not been discussed is the support it would give to the medical profession. My own family, for instance, is in need of medical care and could use any money I would get under the Townsend plan to pay the doctor. The plan also would be a life-saver to many a business. As to payments, they needn't be $200, but should be large enough to really increase buying power.

J. C. MILLS

Cushman, Oregon

Stretch-Out Stiff

SIR: TODAY's editorial on men and machinery overlooks one vital point. It is the stretch-out system of work, which makes unnecessary the employment of another man when the jobs are arranged to be done by fewer men in a shorter time.

It is known publicly and privately that this stretching-out of work has been done deliberately by most of the industrialists. And the worker must submit to the added burden or quit his job.

The proposed thirty-hour week would fail because of the same practice.

AMANDA GROSS

New Milford, New York

Challenged

SIR: I resent the slanderous article in TODAY called *Sin Takes a Holiday*. Many other people of Arkansas also resent it. And there are many other things TODAY could talk about.

If you think that the people of the South don't have brains enough to find out things, you are only kidding yourself. The people have finally discovered that the Chamber of Commerce was the sponsor of the NRA, hoping to gain a foothold legally to crush union labor.

In Arkansas, the "Forgotten Man" is still forgotten, in my opinion.

I challenge and defy you to publish this letter.

J. ROSSER VENABLE

Little Rock

SIR: Webb Waldron's story about Hot Springs, *Sin Takes a Holiday*, was well written, and people who go there to take the baths say that it's all true.

DYMPLE B. JOHNSON

Fort Smith, Arkansas

Endorsed

SIR: I endorse most heartily TODAY's editorial of February 2, *What are Security Payments?* How much better it will be for business, if the government can finance the elimination of grade crossings and like works.

Business has enough to upset it without government projects disorganizing labor, however, and those who are so unappreciative and unpatriotic as to complain about work at low but fair wages supplied by the government, do not deserve work or consideration.

One thing we do need at this time is reduced interest rates. I am losing forty small cottages because I cannot carry the burden of taxes, insurance, repairs and replacement of stolen fixtures while they are vacant, and no government relief has been set up for such cases. However, it is proposed that billions of dollars be devoted to saving bonds on criminally-overbonded apartments, hotels and office buildings.

J. H. PARKIN

Little Rock

IN THIS ISSUE

INTERNATIONAL

NEXT WEEK

RAY TUCKER, in *Suckers Beware*, describes how Credulity Common is once more soaring above par as the wildcat stock salesman spreads his net. The lesson of 1929, it seems, has been pretty well forgotten by the amateur investor. George Seldes reveals more secrets of the attacks upon American principles in the second installment of *Hitlerism Marches in America*. Frederick L. Bird tells what *Our Prodigal Cities* are doing about their billions of indebtedness. Harris Dickson describes the effort being made to prevent another disastrous Mississippi flood, in *When Ol' Man River Rares Up*.

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COURTESY NEW YORK STEAM CORPORATION

"Chaos is Almost Traditional"

Half a million men work in the nation's coal mines. And, directly and indirectly, coal furnishes employment for other thousands. But, today, a ton of coal tumbling into your bin represents only about half the man-hours of work it once required. The mines have been mechanized so that workmen can now produce almost twice as much as they did only fifteen years ago. And the work-hours per unit have been reduced by about the same ratio in the transportation field. Coal is now poured, not shoveled, into railroad cars and barges; at destination points, the cars simply dump their load, and massive cranes, like that shown above, make short work of emptying barges at distribution centers. (See article on Page 6.)

TODAY

RAYMOND MOLEY, EDITOR — AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS — MARCH 9, 1935

HITLERISM MARCHES IN AMERICA

The Faded Shirts

BY GEORGE SELDES

ACME

Although many of them are citizens, the members of pro-Hitler groups in America give the regulation Nazi salute and laud *Der Fuehrer* at public mass meetings.

The danger that a new type of demagogic Hitlerism or Fascism will develop here in America is increasing despite temporary frustration of such trends, according to Mr. Seldes, in this, the first article of a new series

SHIRTS—the whole spectrum of Shirts—Brown, Khaki, White, Silver, Blue—apparently are all on their way to join the nightgowns of the Ku Klux Klan in the American museum of hatred, bigotry and intolerance.

The light of publicity has beaten down upon the colored shirts. The dyes—of German or Italian or other importation—all of them are of foreign origin—have been unable to stand the daylight scrutiny of an impartial and unprejudiced public. The colored shirts are faded; the uncolored shirts have been found spotted. Many of them have already been consigned to the ultimate trash heap from which there is no return.

The latest of the several would-be dictatorship societies which have flourished during the depression, is now losing ground, according to the McCormack-Dickstein Committee on Un-American Activities, which states:

"The disclosures made by the committee not only have stopped their [the American Nazis'] progress and caused the activities of certain German accredited representatives to this country to cease, but a disintegration of the movement has [been] and is taking place. Efforts are still being made by the leaders of the movement but without the success that they heretofore enjoyed."

It is my purpose in this and the following issue of TODAY to present the following facts:

1. That the evidence and documents first published in TODAY have been substantiated completely.

2. That in addition to the Nazi movement, allied or similar movements are on the way to oblivion.

3. That as a result of the exposures, the Nazi movement has changed its character to some extent and is now concentrating upon anti-Semitism.

4. That the committee's report has resulted in the proposal of a new alien and sedition law, which, although supposedly aimed at Hitlerism and Communism, is in reality a duplication of the Alien and Sedition Act of President Adams' time and would be a weapon against liberal as well as radical organizations, the rights of organized labor and the freedom of the press.

5. That the real danger of a new sort of demagogic Hitlerism or Fascism in America is growing today despite the fact that the German or Italian organizations supporting these "philosophies" are at present in a state of disintegration.

In March and April, 1934, TODAY presented a series of articles, *Hitlerism Invades America*, which gave documentary proof that:

Troops wearing foreign uniforms were drilling in nineteen cities; thousands of persons were organized in a foreign movement; secret propaganda agents were active in America.

Besides seeking friends for Hitlerism, the movement had as its objectives, political, economic, social and religious functions.

German consuls in America were implicated in Nazi activities; agents reported to the consulates; in June, 1933, the entire movement was taken over by the Hitler government.

TODAY published the history, platform and functions of various American Nazi, anti-Semitic and Fascist organizations, notably the Silver Shirts, whose policy of race hatred was exposed nationally for the first time.

Then came the Congressional Investigation. Evidence and testimony revealed:

That the American branch of the Stahlhelm,

INTERNATIONAL

These conferees wrangled, and the United German Societies of America split, over the Nazi question; the dissenters included, left to right: Carl Nicolai, the Rev. Dr. William Popcke, Hans Holterbusch; extreme right, Heinz Spanknoebel, Nazi propagandist working in this country.

in German army uniforms, equipped with rifles obtained from the New York National Guard, which Nazis had joined, drilled openly, under orders of German officers.

(Testimony of Stahlhelm Commander Frank Mutchinski.)

That Consul General Kiep paid $4,000 for the dissemination of publicity for Germany; that Carl Byoir & Associates received that money and later contracted for $6,000 a month to spread propaganda for a German tourist bureau.

That a minor German official was the financial backer of a German propaganda pamphlet; that a letter from the Rev. Francis Gross, retired Hungarian priest, contained the expression that "repercussions and sensation in the American and world press might even cause the recall of Dr. Luther" if his correspondence with Luther became public.

(Ambassador Luther denied sponsoring the pamphlet.)

That Hitler planned to win to the Nazi cause all the Germans in the world, especially those in the United States; that he stopped activities in America after protestations by Ambassador Dodd.

That shipments of Nazi propaganda were made on German liners.

Hitler Given Support

That German consuls were directly interested in the activities of the Friends of the New Germany.

That Walter Kappe, one of the organizers of the Friends, wrote to Major Powell of the Silver Legion, American Fascisti, accepting an offer of cooperation.

That American dollars helped make Hitler dictator.

(Statement of Fritz Gissibl, another official of the Friends.)

That the Silver Shirts wrote the Nazis, saying:

"We are assembling our forces for a deadly onslaught on the whole bureaucracy in Washington. Working with the American Hitlerites, we are launching an anti-Semitic boycott throughout the entire nation. There is going to be plenty of excitement here in the United States."

What has happened to "American" Hitlerism since the conclusion of the Congressional committee's hearings?

With the new year, revolt broke the ranks of the pro-Nazi Friends. Amidst cries of "traitor" and "crook" and charges of embezzlement, meetings were broken up and lawsuits followed.

In January, the organization declared that it had gone through a "purge". Needless to say, there was no assassination or other bloodshed, as in the Fatherland.

The chief issue of dispute concerned the ownership of the newspaper published by the group.

This had a double importance. Whoever owns the press controls public opinion—that is an accepted axiom; but in this instance, it was more than public opinion, it was also a lot of cash, because the sale of the newspaper at five cents a copy, not to mention its advertising, was shown to be the main source of income of the Nazis in control.

Dr. Hubert Schnuch, national chief of the Friends, at a mass meeting (admission, fifteen cents) denounced Anton Haegele, leader of the revolt, and proclaimed Louis Zahne the new *fuehrer* "under whom we will be the German-American movement of America—in honor of the Third Reich".

Admits Receipt Deception

The Haegele group, 1,200 strong, organized the American National Socialist League, sang the "Star Spangled Banner", jeered Herr Schnuch and declared it was their outfit which had purged itself of the Friends. Kurt Luedecke, Hitler's press agent, called by his enemies the "father of all the purgings", made a speech.

The opposing factions met in the courtroom of Supreme Justice Lloyd Church, where testimony soon revealed that the funds and ownership of the *Deutscher Beobachter*, successor of the *Deutsche Zeitung*, was the subject that interested all.

Dr. Schnuch made two admissions:

That receipts for solicited funds for the *Beobachter* were so signed as to fool the McCormack-Dickstein committee and that the papers were not owned in the name of the Friends, so that the organization would not be responsible in libel suits.

But while the internal dissension had split

(Continued on Page 20)

ACME

ACME

ACME

Center pictures show Joseph Schuster (in uniform) and Louis Zahne denouncing the Jewish boycott of German-made goods at a mass meeting of 20,000 persons in New York. Other speakers at the meeting are shown in the lower picture, left to right: C. K. Froehlich, D. Voss, Hans Holterbusch, and Dr. I. T. Griehl. More than 1,000 police guarded the meeting.

October Days

BY FELIX FRANKFURTER

Oliver Wendell Holmes, who won the love and respect of a nation during his years on the Supreme Court bench, gives us strength from the serenity of his 94 years

MARCH 8 is the ninety-fourth anniversary of the birth of Oliver Wendell Holmes. A little over three years ago he resigned from the Supreme Court of the United States after nearly thirty years on that bench. He went to Washington in 1902, the year that President Franklin D. Roosevelt was a junior at Harvard. Previously he had served for twenty years in the Supreme Court of Massachusetts. What this transfer from Boston to Washington implied, Justice Holmes indicated at a dinner in his honor on the occasion of his appointment to the Supreme Bench:

"I have felt very sad at the thought of all that I leave, and sad with the wonder whether the work of twenty years, on which I have spent the passion of my heart, will be adjudged to have been nobly done. I have felt sad, too, with a different sadness in thinking of the future. It is an adventure into the unknown . . . but, gentlemen, it is a great adventure, and the thought brings with it a mighty joy. To have the chance to do one's share in shaping the laws of the whole country, spreads over one the hush that one used to feel when one was awaiting the beginning of a battle."

This is not the place to attempt an appraisal of the illustrious judicial career of Justice Holmes. It suffices to say at the moment that in the judgment of Justice Benjamin N. Cardozo, who succeeded him on the Supreme Court, Holmes is probably the greatest name in the history of Anglo-American law.

On January 12, 1932, Justice Holmes, then in his ninety-first year, sent his resignation to President Hoover in the following characteristic terms:

"Mr. President: In accordance with the provision of the Judicial Code as amended, Section 260, Title 28 United States Code 375, I tender my resignation as Justice of the Supreme Court of the United States of America. The condition of my health makes it a duty to break off connections that I cannot leave without deep regret after the affectionate relations of many years and the absorbing interests that have filled my life. But the time has come and I bow to the inevitable. I have nothing but kindness to remember from you and from my brethren. My last word should be one of grateful thanks.

"With great respect, your obedient servant,
Oliver Wendell Holmes."

On the same day, he wrote to his colleagues of the Court, in response to a letter from them expressing their regard and esteem:

"My dear Brethren: You must let me call you so once more. Your more than kind, your generous, letter touches me to the bottom of my heart. The long and intimate association with men who so command my respect and admiration could not but fix my affection as well. For such little time as may be left for me, I shall treasure it as adding gold to the sunset.

"Affectionately yours,
O. W. Holmes."

Since his retirement, Justice Holmes has spent the Winter months in Washington, and the Summer and early Autumn at Beverly Farms on the North Shore of Massachusetts, as he had been spending them for more than thirty years. The regular pattern of his days is much the same as ever, save that the burden of duty has been laid down. "Ninety-two outlives duty," he has said. Characteristically, his philosophy remains what it has always been

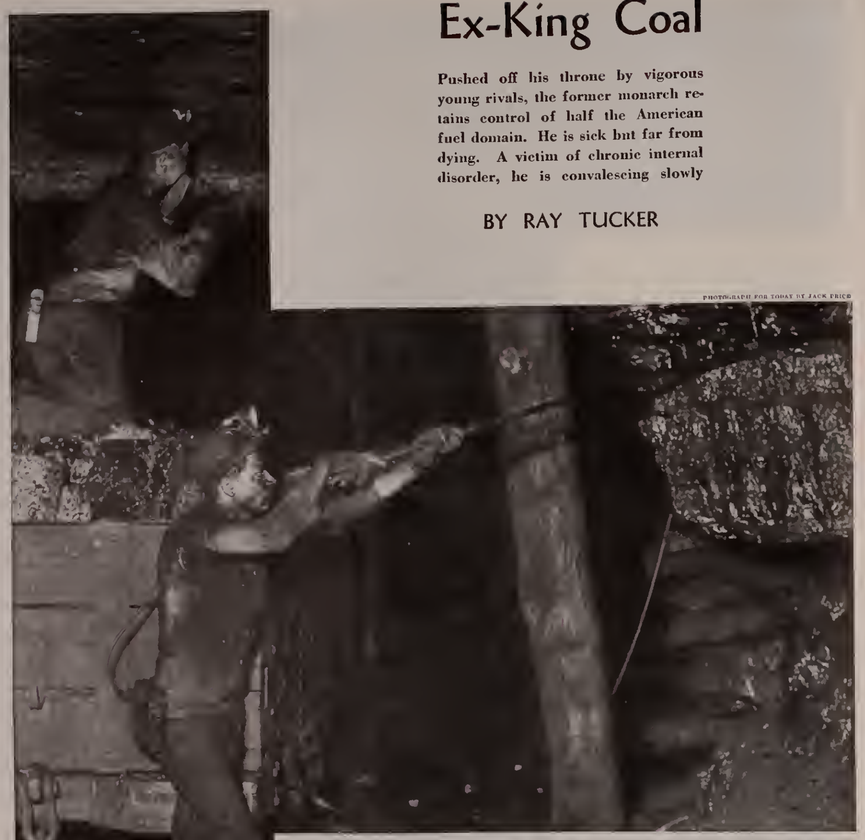
(Continued on Page 19)

Justice Holmes, left, and Justice Louis Brandeis. This photo was taken at Washington on Mr. Holmes' 90th birthday.

Ex-King Coal

Pushed off his throne by vigorous young rivals, the former monarch retains control of half the American fuel domain. He is sick but far from dying. A victim of chronic internal disorder, he is convalescing slowly

BY RAY TUCKER



PHOTOGRAPH FOR TODAY BY JACK PRICE

Under the NRA, the miners' wages have risen. They now range from $3.50 to $6 per day—but the miners average less than two hundred working days per year.

THERE are too many coal mines and too many coal miners. Coal is meeting increasingly vigorous competition from oil, gas, electricity, and even from its stepchild, coke. America's underground coal reserve, one of our most important natural resources, is still being ravaged and despoiled.

Chaos within the coal industry is almost traditional. The present condition justifies little optimism, but it would be worse, probably much worse, if it were not for that much-maligned agency, the **NRA, now entangled in the courts.**

Whatever others may think or say of the Blue Eagle, both **miners and** most operators agree on one thing: The NRA has done more to rationalize their industry than anything else ever tried. Neither group will indorse it unanimously and both are demanding changes, but no responsible unit of the industry would consider returning to the old *laissez faire* disorganization which they knew so long.

Our six hundred thousand coal mine workers constitute America's largest industrial group engaged in a single operation. Their industry is one of the most important keystones of our complex economic system; and activity in the mines is reflected almost immediately in other key industries.

The excessive expansion of coal mining reached a peak shortly after the World War. This expansion coincided with technological advances which flooded the market with substitute sources of energy. Since their inception these new developments have tended to obscure the coal problem.

The vast, rich oil fields of the Southwest, the increasing availability of natural gas, the vision of almost inexhaustible supplies of

LEWIS HINE

Between 1923 and 1933, more than 340,000 miners lost their only means of livelihood. But most of them still crowd their shabby hamlets . . . The miner is not a drifter, he is an mixer . . . he is not especially adaptable.

hydroelectric power—all these were, and are, much more attractive

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1933	22.1	68.2	90.3	7.9	1.8
1913	14.0	70.3	84.3	12.4	3.2
1923	10.4	60.5	70.9	24.5	4.6
1929	7.6	52.8	60.4	32.3	7.3
1933	7.6	45.2	52.2	37.8	10.0

Under its code, the bituminous branch of the coal industry has been earning profits for the first time in ten years. The operators and miners are haggling vehemently over the renewal of wage contracts which expire April 1, but they want no more bloodshed on the hillsides of the mining regions and no more red ink on their office ledgers.

vive the increasingly sharp competition. So far, the figures indicate that the twin tonics of bituminous convalescence—larger returns for the companies and higher wages for the workers—have not proved unduly burdensome on the industrial or domestic consumers.

This is not to suggest that a Utopian regime has been established in the thirty-two states where soft coal is produced. Some producers complain that the prices set by code officials are too high, thereby affording an advantage to neighbor-competitors, and they insist that control of production is as essential as control of prices, if "chiselers" are to be restrained.

Whereas, the operators advocate elimination of marginal mines in which high production costs offer the temptation to cut wages, the miners demand a six-hour day to spread the work. The operators insist that this proposed shortening of hours would burden them with costs which they could not absorb or pass on to the consumers without destroying the market.

Worst of all, there is always the danger that, as has happened so often in the past, economic betterment may incite one or both groups to voice demands that will plunge the industry into the chaos which formerly prevailed.

But the signficant fact is that for the time, at least, these perennial protagonists of "rugged individualism"—the "coal barons" and the half-million United Mine Workers headed by the beetle-browed and leather-lunged John L. Lewis—dare not make a backward move which might topple the wage and price structure supported by the code.

Even their complaints coincide. Both suffer from the bootlegging of coal, which in eastern Pennsylvania involves one-tenth of the anthracite production. Both also suffer from cut rates offered by small independents, who mine about one-tenth of the yearly bituminous output. And both allege that enforcement of the code is lax in some districts, and hope for court decisions to reinvigorate the morale of certain administrators.

The Union Also Prospers

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Due to increased operating economies and efficiencies and mechanization, the code has not resulted in the expected gain in reemployment; this accounts for the miners' insistence on a spread-the-work schedule through a shorter working day. Even the higher wages are offset by the fact that the miners worked an average of only 167 days in 1933 and but a few more in 1934.

Prices to consumers have necessarily increased. The industrial user now must pay about sixty cents per ton more than before the adoption of the code, and the householder, about ninety cents more—of course, the price

(Continued on Page 22)

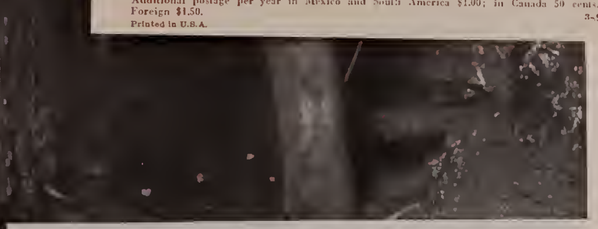
John L. Lewis, deep-voiced, shaggy-browed president of the United Mine Workers, discusses problems with Pennsylvania's Senator James J. (Puddler Jim) Davis and William F. Green, president of the American Federation of Labor.

Ex-King Coal

Pushed off his throne by vigorous young rivals, the former monarch retains control of half the American fuel domain. He is sick but far from dying. A victim of chronic internal disorder, he is convalescing slowly

BY RAY TUCKER

PHOTOGRAPH FOR TODAY BY JACK PRICE



Under the NRA, the miners' wages have risen. They now range from $3.50 to $6 per day—but the miners average less than two hundred working days per year.

THERE are too many coal mines and too many coal miners. Coal is meeting increasingly vigorous competition from oil, gas, electricity, and even from its stepchild, coke. America's underground coal reserve, one of our most important natural resources, is still being ravaged and despoiled.

Chaos within the coal industry is almost traditional. The present condition justifies little optimism, but it would be worse, probably much worse, if it were not for that much-maligned agency, the **NRA, now entangled in the courts.**

Whatever others may think or say of the Blue Eagle, both miners and most operators agree on one thing: The NRA has done more to rationalize their industry than anything else ever tried. Neither group will indorse it unanimously and both are demanding changes, but no responsible unit of the industry would consider returning to the old *laissez faire* disorganization which they knew so long.

Our six hundred thousand coal mine workers constitute America's largest industrial group engaged in a single operation. Their industry is one of the most important keystones of our complex economic system; and activity in the mines is reflected almost immediately in other key industries.

The excessive expansion of coal mining reached a peak shortly after the World War. This expansion coincided with technological advances which flooded the market with substitute sources of energy. Since their inception these new developments have tended to obscure the coal problem.

The vast, rich oil fields of the Southwest, the increasing availability of natural gas, the vision of almost inexhaustible supplies of hydroelectric power—all these were, and are, much more attractive than the grimy coal industry. And the coal lobbyists had outstayed their welcome even before the oil, gas and utility blocs began to frequent the legislative halls, seeking to obtain favorable taxes and tariffs.

LEWIS HINE

between 1923 and 1933, more than 340,000 miners lost their only means of livelihood. But most of them still crowd their shabby hamlets . . . The miner is not a drifter, he is an inert . . . he is not especially adaptable.

Welcome "Regimentation"

In the face of these new competitive dangers, the mine operators persisted in their refusal to coordinate their efforts, the various miners' unions continued their disputes, with labor and management still at daggers' points. Wages were almost unbelievably low and competition within the industry had reached the dog-eat-dog stage when the NRA stepped in.

Reasons why the coal men are willing to continue under NRA's "regimentation" are shown in the following table of percentages of the total heat and energy furnished by competing sources from 1899 to 1933:

	Anthracite	Bituminous	Total Coal	Oil and Gas	Water Power
1899	22.1	68.2	90.3	7.9	1.8
1913	14.0	76.3	84.3	12.4	3.3
1923	10.4	69.5	79.9	24.5	4.6
1929	7.6	52.8	60.4	32.3	7.3
1933	7.0	45.2	52.2	37.8	10.0

Under its code, the bituminous branch of the coal industry has been earning profits for the first time in ten years. The operators and miners are haggling vehemently over the renewal of wage contracts which expire April 1, but they want no more bloodshed on the hillsides of the mining regions and no more red ink on their office ledgers.

It is far from well, but the bituminous branch of the industry is at least no longer prostrate. It thinks it sees a light where there once was only a dim patch of gray at the top of the mine shaft. Its seventeen-month experiment appears to have brought it to a point whence, unless previous mistakes are repeated, new advances can be made.

In practice, the code has provoked demands for the allocation of tonnage, as well as price-fixing, as another means of regulating operations from the tipple to the coal bin. The code has caused some operators to look with less disfavor on further government supervision, as proposed in the Guffey bill (which is not favored by President Roosevelt, for the present at least). The code has generated a receptive reaction to the proposals of the National Resources Board, which suggests several radical steps for stabilizing the industry and conserving basic national assets.

It may be too much to hope for, but the success of the experiment may yet incline the uncoded and uncontrolled anthracite industry to place its house in order so that it may survive the increasingly sharp competition. So far, the figures indicate that the twin tonics of bituminous convalescence—larger returns for the companies and higher wages for the workers—have not proved unduly burdensome on the industrial or domestic consumers.

This is not to suggest that a Utopian regime has been established in the thirty-two states where soft coal is produced. Some producers complain that the prices set by code officials are too high, thereby affording an advantage to neighbor-competitors, and they insist that control of production is as essential as control of prices, if "chiselers" are to be restrained.

Whereas, the operators advocate elimination of marginal mines in which high production costs offer the temptation to cut wages, the miners demand a six-hour day to spread the work. The operators insist that this proposed shortening of hours would burden them with costs which they could not absorb or pass on to the consumers without destroying the market.

Worst of all, there is always the danger that, as has happened so often in the past, economic betterment may incite one or both groups to voice demands that will plunge the industry into the chaos which formerly prevailed.

But the signficant fact is that for the time, at least, these perennial protagonists of "rugged individualism"—the "coal barons" and the half-million United Mine Workers headed by the beetle-browed and leather-lunged John L. Lewis—dare not make a backward move which might topple the wage and price structure supported by the code.

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Those Alimony Blues

BY EDWARD ANGLY

ILLUSTRATED BY CARL ROSE

For thousands of husbands, the romantic Wedding March is just the opening tune of a medley which has as its finale the Prisoner's Song, as sung in America's alimony jails

THERE is at least one large group of Americans whose incomes have been reduced but little since the economic crash of five years ago. This is the privileged class composed of the women—good or bad, but seldom indifferent—who are living on alimony. In this country, which can afford one divorce to every six marriages, even during a depression, their number is estimated at more than one million. How much their special relief roll totals, no one knows. Certainly it extracts several million dollars a day from the bank accounts of ex-husbands.

If, for any reason, these disillusioned men find it impossible to come through regularly and in full, with the stipulated payments, vengeful ex-wives, in many states, can have them clapped into jail. Some of the women even support second husbands on alimony received from the firsts. And there are reckless males who pay alimony to two or three former wives! It works in the manner of mortgages—the first wife has the prior claim. We shall not weep over their lot. Rather, let us, in this "sophisticated" century, shed a tear for a certain sort of second wife. She is compelled to pinch pennies because the income of her husband has been cut during the current crisis, but he, all the while, must maintain his payments to Mrs. Number One on the 1929 scale.

Other classes of creditors are now finding it difficult to collect judgments, but not the ex-wives who draw alimony. For them, the law is the true embodiment of everything that's excellent.

But to serious-minded jurists, barristers, legislators, and others concerned with the enactment and the enforcement of law in a broader sense of social justice—as well as to tens of thousands of ex-husbands who have a personal interest in the subject—it seems that the time is ripe for the reform of legislation which puts the American divorcee on a pedestal. Some of these observers maintain that the law has carried our colonial traditions of chivalry to a point which constitutes an affront to American manhood. And they are beginning to say so even in mixed company.

Yearnings for Equal Rights

It happens that most of the state legislatures are in session at this time. It also happens that bills to lighten alimony burdens have been prepared for submission to several of them. In some of the Western states, the pendulum has swung so far that divorced husbands are occasionally eligible to obtain alimony payments from the women—bless their little yearnings for equal rights! California, Oregon, North Dakota, Iowa and Illinois have given almost equal rights to the husband in the matter of alimony. A bill to accord such privileges to the men of Georgia was recently introduced in the legislature of that state, and it promptly gained the support of the only feminine member of the general assembly, Miss Helen W. Coxon. Said she: "I believe in fair play."

Chicago judges, more than once in the past year or two, have accorded husbands rather comfortable settlements when severing their ties to wealthy wives.

In nearly all cases, however, it is the man who must continue to supply the money after the home is wrecked, even though the woman be adjudged the guilty party. The gold-digging encouraged by the separation and divorce laws is confined, for the most part, to our larger cities where neither party to an action is likely to be known personally to the judge, where business men live in dread of unsavory publicity, and where the courts are clogged with all manner of cases.

With the heritages of canon law and of common law, and with the revered and ageless tradition that a man, in marrying, obligates himself to support a wife until death, we are not here concerned. Nor is it our present purpose to discuss the rights of mothers who have obtained separations or divorces from husbands guilty of infidelity, abandonment, non-support, or all three. Our concern here is with the abuses of alimony laws, and with the flaws in the system of jurisprudence which not only permit, but provoke and even encourage such abuses in this, the nation which leads all others in home-wrecking by court decree.

It is in New York, Chicago, San Francisco and other large urban centers that the securing of alimony and the financial enslavement of husbands have become a racket, with overtones of blackmail. These shady overtones, particularly among the wealthy, usually lead to a monetary settlement out of court. But let us not bother about the domestic infelicities of the rich. It is with the middle classes and the poor that the law deals according to the hook. Once the court has set a sum for a husband to pay—either temporarily during separation or divorce proceedings, or permanently after termination of the action—failure to meet a fixed payment legally constitutes contempt of court. And for this type of contempt, a man may be put behind the bars. It is the one survival of the abandoned precept under which men could be imprisoned for debt.

Law Is Unfair

Justice Paul Bonynge of the New York Supreme Court once pierced the injustice of the alimony anachronism with an opinion jabbing the laws which deal with contempt of court.

"Under these sections," he said, "if an intruder disturbs the serenity of a courtroom by disorderly or insolent behavior, or interrupts the proceedings of the court, or wilfully resists its lawful mandate, the limits of judicial displeasure are circumscribed by statute to a jail sentence of thirty days and a fine of $250. However, let a waspish woman pluck the sleeve of the judicial gown, or nudge the elbow concealed therein, and this temperate restraint is immediately cast aside, and the delinquent spouse faces the possibility of unending imprisonment through successive adjudications of contempt. This carries the supposed rights of women to absurd, not to say unconstitutional, lengths."

Justice Bonynge voiced those sentiments on the occasion of releasing an unemployed bricklayer, Umberto Politano, an immigrant, who had languished in "alimony jail" for two years and seven months. After sedulously saving some $3,000, Politano had espoused his American sweetheart. Most of his savings were spent to provide a home for his bride. Said the court: "As their union was blessed with no children, the wife atoned for this by installing her mother and sisters as permanent members of the household." Politano, who had the idea that a man should be the master in his own home, objected to the seemingly permanent presence of his in-laws under his own roof. This old-fashioned attitude kindled resentment in his modern-minded wife, and one word led to many others. Finally, she sued for a separation. She got it, and, with it, a maintenance award of $12 a week.

Soon afterward, the bright Coolidge years came to a sudden end, and Politano found himself out of work. Now, about the same time, a Metropolitan Opera singer, who was sending his ex-wife fifteen thousand duly ordained dollars every year, found that his income wasn't what it had been. So did one of America's leading novelists, who also was paying heavy alimony. Those two relatively prosperous men simply went to court and applied for reductions in the amounts of alimony they were obliged to pay, presenting evidence to show how their earnings had declined. Meanwhile, however, they had enough money to meet the original pay scale regularly. So their ex-wives, even if they had wanted to, couldn't have had them cited for contempt.

With Politano, the bricklayer, it was different. The pinch of hard times had not merely reduced his income; it had caused his earnings to vanish. While he made money, he met his alimony installments. When he ceased laying bricks, he ceased making money. He couldn't pay his estranged wife something he didn't have. She hired a lawyer and had him jailed for contempt of court.

If he owed her less than $500, he must be sentenced for three months; if more than $500, for six months. There was nothing else for the judge to do. His arrears, of course, continued to mount while he was in jail, increasing by $12 each week. In jail he couldn't earn a cent. The law made it impossible for him to do what the law imprisoned him for not doing. The court insisted that it had no option in the matter. Had he not disobeyed the court's injunction? Very well, then, by legal mandate he must be prevented from working so that he could not earn what the law was punishing him for not possessing!

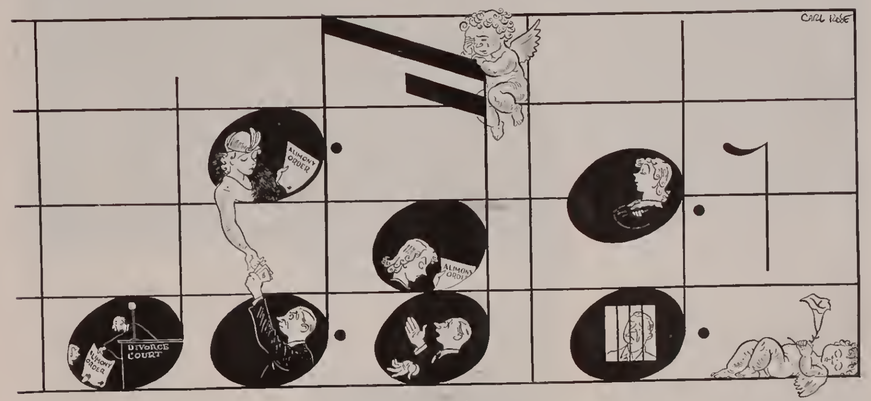
Every time Umberto Politano's term expired, he owed so much more than before he began it that, at the wife's request, there was nothing for the court to do but return him to jail for another stretch. Politano had plenty of company. Among his colleagues was a contractor who, having lost $3,000,000 in the 1929 collapse of his skyscraper equities, began to fall behind in his alimony payments.

In practice, jailed husbands may be released at any time on the wife's application, and thus be given an opportunity to earn some money with which to pay alimony, but sometimes it pleases a spiteful woman to keep her ex-mate in prison, where the taxpayers must feed and shelter him. Sometimes, too, the man would rather stay than pay.

Until two years ago, when certain state law reforms were effected, New York judges often protested that they had no other course but to send delinquent alimony payers to jail. Several months before the legislature authorized the courts, at their discretion, to refuse applications for punishment upon proof of inability to pay, a motion was made to punish for contempt one Leo A. Leit, who was $76 in arrears. The court had ordered him to pay $12 a week. What with periods of unemployment, he had averaged only $6.40 a week. Justice Selah B. Strong denied the motion to jail him, but the Appellate Division reversed Justice Strong's ruling, holding that judges had no arbitrary power to exonerate a husband in arrears. This power later was accorded to the judges by the state legislature.

"From my point of vantage on the bench," Justice Strong once said, "I have come to the conclusion, in all seriousness—speaking with the humility of a man who deeply respects womanhood, and who is the happiest of husbands—that too many wives today have turned into parasites, liars, cheats, intriguers, money-grabbers and contributors to immorality.

"There is an ever-increasing tendency for childless women, tired of their husbands, to get rid of them and continue to take advantage of their helpless mates. If the husbands default in so much as a single payment of alimony, the wives can have them jailed for contempt of court. And wives do! Very ferociously, I might add. It is legalized slavery.



Payment for "Lost Love"

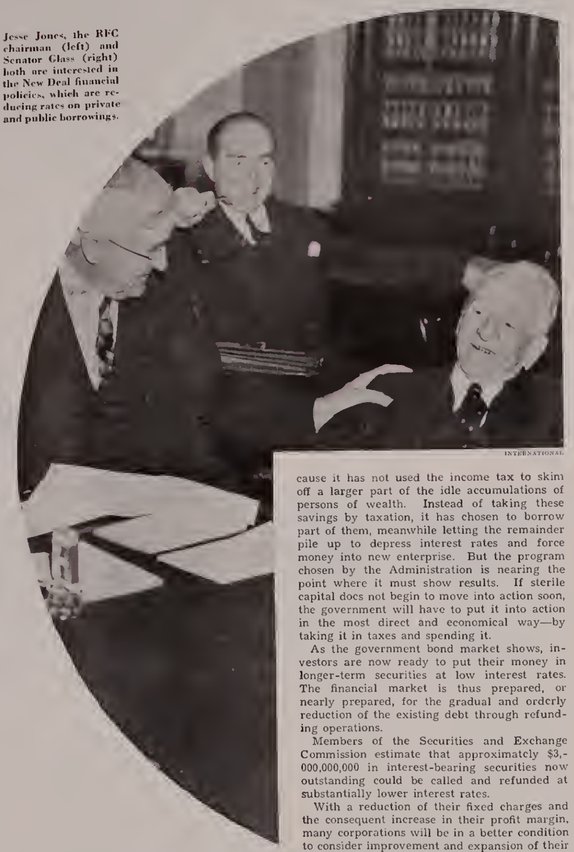
"I submit, no able-bodied woman with self-respect should demand alimony. Only in American courts today are money payments awarded for 'lost love'. I oppose the granting of alimony except when there are children, or the wives are middle-aged and economically helpless."

Chicago holds the distinction of having a judge who has heard more divorce cases than any other man—30,000 of them. He is Judge Joseph Sabath. After all these years, he, too, has wearied of watching childless coquettes attempting to extort alimony out of the men they have discarded, except as providers.

(Continued on Page 21)

Timid Dollars

BY ERNEST K. LINDLEY



Jesse Jones, the RFC chairman (left) and Senator Glass (right) both are interested in the New Deal financial policies, which are reducing rates on private and public borrowings.

INTERNATIONAL

THE Treasury is within striking distance of a goal toward which it has been moving for more than a year. At the end of February, Treasury bonds were selling on the stock exchanges at prices which yielded from 2¾ down to slightly less than 2¼ per cent. Veteran financial observers were predicting that before the end of the year the Treasury would be able to sell long-term bonds bearing 2½ per cent interest or less, and some analysts foresaw even lower interest rates on government bonds.

The sale of Treasury bonds bearing interest of less than 3 per cent will be a notable milestone, for, to date, the lowest interest rate the Treasury has ever offered on its regular bond issue is 3 per cent, although baby bonds bearing lower interest rates were offered to small investors during the Hoover Administration and, in different form, are again on sale. The bidding up of government bonds and the concomitant fall in interest yield put the Treasury in a position to accomplish three purposes—to convert outstanding Liberty Bonds, on which it pays higher interest rates; to borrow new funds for longer periods on favorable terms; and to convert into longer issues a portion of the present unwieldy short-term national debt.

It is worth noting that by converting all the outstanding Liberty Bonds, the Treasury could save enough to carry the annual interest on about $3,000,000,000 of new borrowings at 2½ per cent.

The Treasury undoubtedly will move cautiously, but it looks very much as though the ice over which it has been feeling its way for the last year and a half has turned into a hard cake.

The lowering of interest charges on the growing government debt is important. But of greater importance is the lowering of interest charges on debts in general. At its very outset, the New Deal proposed to meet the debt problem by a combination of inflationary and deflationary remedies. The double attack has been most graphically illustrated on the farm front. By devaluation and by crop limitation, the prices of farm products have been substantially increased, enabling most farmers to meet payments on their debts. Simultaneously, the Federal Farm Credit Administration has been forcing the reduction of the farm debt burden by lowering interest rates and, in some cases, by writing down the principal of the debt.

The Home Owners Loan Corporation has led the assault on another debt peak—home mortgages. The Federal Housing Administration is close behind, and with the passage of necessary state legislation and of the mortgage provision in the pending banking bill, cheap credit for the purchase of homes should be plentiful.

To aid in the reduction of another debt pinnacle, railroad debt, Congress passed the Railroad Bankruptcy Act in 1933. The cheaper credit policy of the RFC has operated in two ways—to save some roads from relying on more expensive private capital and to postpone the deflation of capital structures which other roads inevitably must undergo. Jesse H. Jones has given notice that the RFC hereafter will be more discriminating in its loans to railroads. Roads which have been unable to improve their position in the last three years will be allowed to fare for themselves. Debt deflation via the bankruptcy route probably is in store for a number of heavily capitalized roads.

Likewise, the squeezing of excessive capitalization out of the electrical utilities is in prospect, by means of government competition and stringent regulation or abolition of holding companies. Here the excessive capitalization is found almost altogether in holding companies.

Municipal and state governments are benefiting from improved tax revenues and from cheaper credit, although many of them are still hard-pressed by relief expenditures.

Meanwhile, the Federal government has been assisting in pumping the banking system full of credit. In that connection, its passive contribution to the piling up of inactive money, through its tax policy, should not go unnoticed. The Roosevelt Administration has opened itself to bitter criticism from the liberals because it has not used the income tax to skim off a larger part of the idle accumulations of persons of wealth. Instead of taking these savings by taxation, it has chosen to borrow part of them, meanwhile letting the remainder pile up to depress interest rates and force money into new enterprise. But the program chosen by the Administration is nearing the point where it must show results. If sterile capital does not begin to move into action soon, the government will have to put it into action in the most direct and economical way—by taking it in taxes and spending it.

As the government bond market shows, investors are now ready to put their money in longer-term securities at low interest rates. The financial market is thus prepared, or nearly prepared, for the gradual and orderly reduction of the existing debt through refunding operations.

Members of the Securities and Exchange Commission estimate that approximately $3,000,000,000 in interest-bearing securities now outstanding could be called and refunded at substantially lower interest rates.

With a reduction of their fixed charges and the consequent increase in their profit margin, many corporations will be in a better condition to consider improvement and expansion of their plants. And a number of analysts of the Wall Street psychology believe that one or two successful refunding operations would break the log jam and start at least a moderate movement of capital into new enterprise. This is the end toward which Administration has been working for a year or more. It is an end which will have to be achieved before many more months have passed, or the present plan will have to be cast aside in favor of stronger methods. **The downward pressure of interest** rates under a heavy load of excess savings indicates that the critical test of the effectiveness of the cheap credit policy is not far away.

Teeth for Section VII-A

BY MAX STERN

Senator Wagner, backed by organized labor, again is trying to pass a law to put teeth into Section VII-A, a law to give the National Labor Relations Board the power to enforce its own rulings in labor disputes.

UNITED

CAN the American democracy create an enduring instrument for peace with justice in industrial relations? For a decade this wholly reasonable query has been drowned in a din of strikes, lockouts, boycotts and sanguinary clashes between workers and their bosses. Today, for the first time in American history, the national government is answering it in a tentative and hopeful affirmative. And in so doing, the New Deal Administration may be launching one of its most historic social experiments—a Federal labor court.

Much has been written about Section VII-A of the National Industrial Recovery Act, on both its promises and its futility. Much more has been written on the triumphs and failures of the National Labor Relations Board. But louder than all the rabble are the significant facts that the government has at last laid down a principle of fair dealing between labor and capital and has created a tribunal to interpret and apply this principle.

Section VII-A is brief, indefinite and, on some points, obscure. It lacks permanency, and it badly needs a set of teeth. It merely lays down the rule that workers, under the NIRA, may organize for collective bargaining, without hindrance from their employers, and then may bargain through spokesmen of their own choosing for wages, hours and conditions of labor. In fitting this simple rule to many situations, the NLRB must feel its way and virtually write a new common law as it goes. But even under these limitations, this charter of rights and this "court" have achieved some remarkable results.

The first board charged with interpreting Section VII-A came into being as a result of one of the country's most serious industrial crises, the outbreak of strikes in the Summer of 1933. Acting at the request of NRA and under authority of the Recovery Act, President Roosevelt, on August 5 of that year, set up the National Labor Board and named Senator Robert F. Wagner of New York as its chairman. It was a bipartisan board of representatives of labor and capital, and its members served without salary. Yet its record was impressive. In its eleven months of existence, that board and its regional agencies disposed of about 4,200 cases. Of these, roughly 80 per cent were settled, with nearly two-thirds of the settlements capped by agreements. Through its mediation in strike situations, some 1,350,000 workers were either returned to work or kept on their jobs.

Before long, however, two flaws became apparent in the Wagner board's effectiveness. One was lack of enforcement authority in those cases where mediation failed and an order of restitution was issued in behalf of a worker who had been discriminated against for union activity. The other was the absorbing nature of the work, which required more time than a busy Senator-chairman or labor leaders and employers could give. Senator Wagner sought to correct both of these defects under a new measure in the Seventy-third Congress. His 1934 disputes bill failed, but out of the efforts to pass it grew Public Resolution 44, authorizing the creation of the National Labor Relations Board.

Proposes Direct Action

The NLRB has three full-time members, selected for their ability and knowledge of labor-employer relations. Its present chairman, Francis Biddle, an able Philadelphia attorney, recently succeeded the board's first chairman, Dean Lloyd K. Garrison, of the Wisconsin Law School. The other members of the board are Dr. H. A. Millis, Chicago University economist, and Edwin S. Smith, former Massachusetts labor commissioner. It has a small but capable administrative and legal staff in Washington. It operates twenty-four regional boards, scattered from Atlanta to Los Angeles, from Boston to Seattle. Each of these is headed by a salaried director and is manned from panels representing the public, labor and employers, selected from the community's most public-spirited leadership, to iron out labor disputes and mete out justice under the new law. In the six months beginning last July, the regional boards handled 3,500 cases involving 1,200,000 workers. It is estimated that 514 strikes, affecting nearly 200,000 workers, were settled and 469 strikes, involving 400,000 workers, were averted. In educating the general public to the rights of employers and workers under Section VII-A, the value of such service is not to be measured in dollars.

Not all the disputes arising under Section VII-A can be mediated, however, so the NLRB's functions must also be judicial. It now has power to investigate and find facts in a labor dispute under this section, and to conduct secret elections, when the public interest requires them, so that workers may choose their spokesmen. When an offender refuses to comply with an NLRB order for restitution, he is punishable under the law. But it is one of the law's weaknesses that the NLRB can only refer the case of a violator to NRA for removal of his Blue Eagle, and to the Attorney General for prosecution.

Superior as the new system of labor relations "courts" is to the old anarchy, it falls far short of adequate accomplishment. Chiefly responsible for this is the fact that the board must depend largely upon the NRA, now facing court tests, for endorsement of its rulings. Senator Wagner, backed by organized labor, again is pushing his measure to clarify Section VII-A along the lines of the Railway Labor Act's guarantees, to make the NLRB a permanent and independent body and to give it power to enforce its decisions by "cease and desist" orders, with recourse to the Federal courts when these orders are not observed.

Only by some such measure, it is believed, can the law be made effective for industrial peace, and its violators in letter and spirit, be brought to book.

VINCENT ASTOR, Publisher
RAYMOND MOLEY, Editor
WILLIAM C. STEWART, Managing Editor

Overhauling the Federal Reserve System

A GREAT debate in and out of Congress on Governor Eccles' proposed changes in the Federal Reserve System lies immediately ahead of us. Without seeking at this moment to argue the questions that will be raised in this debate, it will be helpful to state what its essential elements will be.

Governor Eccles, in his explanation of his proposals, states that his fundamental premises are: First, that business stability is desirable; second, that stability can be attained by a control of credit; and third, that control in the interest of business stability cannot be attained either through the banking system, left to itself, or through a means of control in which private banking is predominant. In short, he seeks to place the means for credit control more clearly in a responsible public agency.

He seeks to attain this larger measure of credit control by public authority through a number of changes in the Federal Reserve System. First, he would make a distinct change in the make-up of the so-called Open Market Committee of the Federal Reserve System. Since 1923, this Committee has consisted of the governors of the regional Federal Reserve Banks of New York, Boston, Philadelphia, Chicago and Cleveland. He would change this membership sufficiently to give control over its actions to the Federal Reserve Board in Washington. The functions of this Committee are such as to coordinate purchases and sales of securities by the Reserve Banks.

Second, he would permit the Federal Reserve Board to designate the type of paper eligible for rediscounting at Federal Reserve Banks instead of limiting it by law as at present.

Third, he would remove present restrictions which prevent regional banks from rediscounting various sorts of paper and permit them to rediscount not merely short-term loans and government obligations, but long-term loans, including loans on real estate.

Fourth, he would provide for a combination of the two offices of the chairman of the Board and president of the various regional banks, and while the new officer would still be selected by the regional banks, the Federal Reserve Board would retain a veto power over the person thus selected. Moreover, while he would not change the term of office or membership of the Federal Reserve Board in Washington, he would redefine its purpose as that of formulating "national, economic and monetary policies". This would constitute a recognition in the law of the principal function of the Federal Reserve Board. Moreover, he would limit the term of the Governor of the Federal Reserve Board, permitting the President to make a change in the office whenever he wishes to do so. This would make the Governor of the Federal Reserve Board a responsible subordinate of the President.

Debate on the amendments will largely concern itself with the question of whether the credit policy of the Federal Reserve Banks, and thus the credit policy of the nation's banks as a whole, should be subject to central direction. This question certainly involves the fundamentals of government. Men can quite reasonably argue on either side of it.

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For Country and for Yale

JAMES ROWLAND ANGELL, president of Yale University, said recently:

> "As a matter of long-standing tradition, Yale has gladly consented to permit members of her staff to assist the government when their peculiar qualifications were needed to deal with special problems. But when the number of such appointments begins to mount, and when the period of absence from academic duty becomes prolonged, fairness to students requires that the university call a halt, despite its genuine desire to serve the public interest.
>
> "Furthermore, if such men, as a consequence of the conscientious performance of their official duties, become involved in highly controversial issues eliciting violent feeling, such as have persistently vexed the present national Administration, the university gets drawn into the picture in ways which may be quite prejudicial."

This statement has been widely heralded in the headlines as a determination on his part to put an end to the service of academic men in public life or to restrict their activities to non-controversial questions. I regret that President Angell did not base his objection to the public service of Yale faculty members solely upon the necessity of keeping them on the job of teaching students. A college president responsible for the maintenance of a university with adequate teaching facilities must, of necessity, place some reasonable limitation upon the outside activities of his faculty, for students are entitled to competent instruction from those who are employed, in part, to give such instruction. This is a question whose determination is dependent upon practical considerations that can be adjusted within the family of a university.

I deeply regret, however, that President Angell has seen fit to make a statement which clearly implies that faculty members in government service should avoid becoming "involved in highly controversial issues eliciting violent feeling". Here is a fundamental issue. It concerns not only the position that the university ought to maintain in civilization, but the very quality of the teaching imparted to its students.

I, personally, disagree profoundly with many men in academic life who are teaching the social sciences; but I also recognize that to set up an orthodox standard of any kind and to attempt to make them conform to it, would destroy the vitality of their teaching and, what is much more serious, would cast upon university instruction a cloud of suspicion that would destroy the confidence the public has properly placed in our universities. In the academic world, where the battle is one of ideas, I believe, as someone said of the method of Justice Holmes, that we should scorn to close the arsenals of those whom we must fight. This applies not only to a man's teaching, but to his expressions in public or his service to the government.

Coming down to brass tacks as to the Yale situation, I find, upon cursory examination, the following facts: There are almost 800 teachers in Yale University. Of these, according to the latest Yale University catalog, fifty-four are members of the Department of Social Sciences and twenty-nine of the Department of Law. An infinitely small proportion of these has been in the service of the national Administration. Professor Douglas is now with the Securities and Exchange Commission. Professor Arnold went to the Philippines to set up the sugar administration of the Department of Agriculture. Professor Sturges went to Hawaii for the same purpose. Professor Hamilton is now serving on the NRA board. Professor Rogers served as an adviser on financial matters for a time and subsequently went to China for the President. Of these five men, two are back teaching at Yale. One is on leave with a private law firm and the other two are on leave in the government service.

In view of the size and distinction of the Yale faculty, it is difficult to see how the absence of three members at this time can constitute a serious denial of the rights of students, amounting to an embarrassment to the university.

In view of the good taste with which all five of the Yale faculty members who have served in this Administration have conducted themselves, it is difficult to understand how their work could be "prejudicial" to the university. One would like to ask in whose mind their activities may be prejudicial to the university and in what way "the conscientious performance of their official duties" may injure the university.

President Angell, in 1932, said:

> "Clearly it is difficult to exaggerate the importance of the universities in modern life. Not only is it to them that we must look for the releasing of the great sources of intellectual energy and for the highest discipline of these energies, but it is also to them that we must turn for that dynamic idealism which flows from clarity of moral outlook vitalized by sheer intelligence. So conceived, the university stands at the very centre of civilization, and the maintenance of its nobility of purpose is of paramount consequence to all mankind."

This principle, I submit, cannot be maintained if a professor, when he expresses himself on public questions or participates in public service, must limit himself to non-controversial questions.

Mr. Justice Holmes

FOR many years the names of Justice Holmes and Justice Brandeis were so often associated in dissenting opinions that the public came to believe that their outlook upon the law and their legal method were the same. We can understand both of these great jurists if we recognize that while they often agreed in dissent, the intellectual processes that joined them in dissent were quite dissimilar.

Justice Brandeis, in his intelligence and idealism, understands so well the economic world in which he lives that he has frequently welcomed efforts devised to improve conditions in that world. He has often dissented from his associates because he believed in the wisdom of the legislation they sought to interdict as unconstitutional.

On the other hand, Justice Holmes has expressed the belief that, despite human frailties, the public can be trusted to devise the means for its own redemption and that, while it may often be wrong, it can more easily teach itself than be taught by any court, however wise.

Justice Brandeis has expressed a philosophy of government; Justice Holmes has expressed a philosophy of life.

George Santayana once observed that:

> "Almost all nations and religions . . . think themselves the salt of the earth. They believe that only their special institutions are normal or just, and hope to see them everywhere adopted. They declare that only the scriptures handed down by their own clergy are divinely inspired; that only their native language is clear, convenient, deeply beautiful, and ultimately destined to become universal; that only the logic of their home philosophers is essentially cogent; and that the universal rule of morals, if not contained in tablets preserved in their temple, is concentrated in an insoluble pellet of moral prejudice, like the categorical imperative of Kant, lodged in their breast."

In the midst of a social and economic scene where bewildering processes of change become constantly accelerated, it is difficult not to grow obsessed with one's own convictions as to what is beautiful, good, wise and statesmanlike. Justice Holmes has recognized this danger so clearly that he has thrown the great weight of his Brahmin name and inheritance against the tendency to Brahminize law and statesmanship. He has risen magnificently above prejudices and formulae. Again and again, he has pointed out directly and by implication that:

> "It is a misfortune if a judge reads his conscious or unconscious sympathy with one side or the other prematurely into the law, and forgets that what seem to him to be the first principles are believed by half his fellow men to be wrong . . . We . . . need . . . to learn to transcend our own convictions and to leave room for much that we hold dear to be done away with, short of revolution, by the orderly change of the law."

For that reason, he has been much more willing to let people try to improve his world by changing it than most of his colleagues. His shrewd insight may have made him doubt the wisdom of some measures whose constitutionality he sustained; but, because of his profound skepticism, he doubted his own capacity, or that of anyone else, to point out the errors that he suspected. He graciously deferred to that greatest of all teachers—experience.

Justice Holmes may be counted as one of the few men of his time who have believed in democracy and honestly accepted its implications.

Raymond Moley

NESMITH

The Past Still Lives

Hartford, city of wealth and culture, and headquarters of large insurance companies, clinging to social ideas of yesteryear, remains the same city that snubbed Mark Twain

BY FRED C. KELLY

IF I were very rich, plutocratic in my outlook, opposed to much social change, and saw my kind of world crumbling, I know what I would do. I would simply move to Hartford, Connecticut. The social order of yesteryear probably will last longer in Hartford than almost anywhere else.

A man who has great riches, and thoroughly believes in private control of vast wealth without interference by the government, finds many congenial spirits in Hartford. If he lives in a baronial mansion, as some do, not many in the city begrudge him his mode of life. Slum areas that might offend the sight, or disturb one's peace of mind in a magnificent home, are relatively small and not too conspicuous.

The majority of workers in Hartford's three hundred and fifty industries are skilled or semi-skilled, and are paid wages high enough to provide a few luxuries, as well as necessities. They are fairly uncritical of those who live in the grand manner. Since the early days of the apprentice system, strikes never have been a serious problem in Hartford.

Far more important to the city than its industries are the forty-odd large insurance companies which have headquarters there. These have made Hartford one of the financial centers of the nation. On their payrolls are some twelve thousand employes, who receive a total of twenty million dollars a year. With a population of 165,000, Hartford has fourteen banks, and it has not had a bank failure in recent years; savings in the banks average approximately eight hundred and forty dollars, more than one hundred and twenty dollars above the national average. The incomes of more than one-third of the city's families come directly from the handling of money.

A great many Hartford families are able to live comfortably, with little toil, because their forebears bought stock in Hartford insurance companies when that business was in its infancy. Others still are profiting from investments made a generation or two ago in industries which endure. Is it any wonder that, in Hartford, money and vested interests should be taken seriously?

This would be true even if Hartford were not a capital city with many government employes who have gone through the depression without serious hardship. It is natural that the spirit of Hartford should be sympathetic toward practices and policies that have been successful in the past, since many of its more important business institutions have existed for a long period of time.

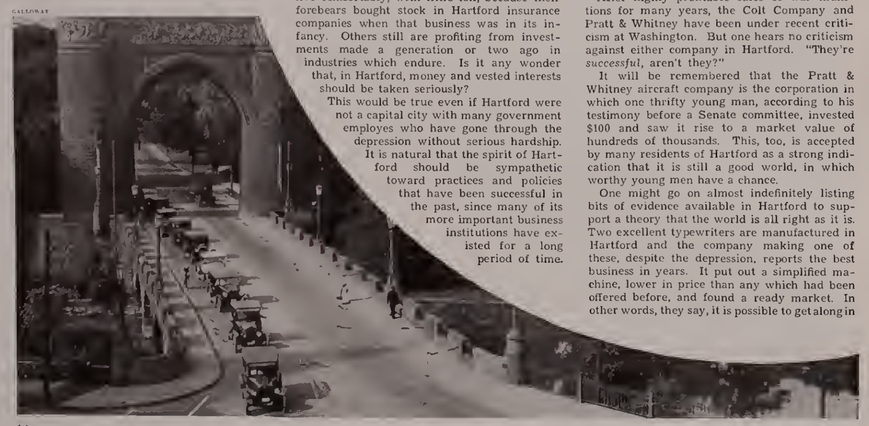
Even its newspapers link the town with the long ago. The *Courant*, founded in 1764, is one of the oldest newspapers in the United States. The other Hartford paper, the *Times*, has been published since 1817. Years ago, a young man got a job on the *Courant* as a reporter, but the editor thought he was hardly the stuff of which newspaper men are made. Instead of firing him, the editor got the newcomer a job downstairs in the business office. Today, that man is publisher of the paper. Rugged individualism!

From the beginning, Hartford business has had its romantic side. Away back, nearly one hundred years ago, the finest of carriages and coaches were made in Hartford, and a few of these, trimmed in costly gold braid, were for royalty—mostly that of South American countries. Colt guns played an important part in fighting Indians and the winning of the West.

After highly profitable sales of war munitions for many years, the Colt Company and Pratt & Whitney have been under recent criticism at Washington. But one hears no criticism against either company in Hartford. "They're successful, aren't they?"

It will be remembered that the Pratt & Whitney aircraft company is the corporation in which one thrifty young man, according to his testimony before a Senate committee, invested $100 and saw it rise to a market value of hundreds of thousands. This, too, is accepted by many residents of Hartford as a strong indication that it is still a good world, in which worthy young men have a chance.

One might go on almost indefinitely listing bits of evidence available in Hartford to support a theory that the world is all right as it is. Two excellent typewriters are manufactured in Hartford and the company making one of these, despite the depression, reports the best business in years. It put out a simplified machine, lower in price than any which had been offered before, and found a ready market. In other words, they say, it is possible to get along in



GALLOWAY

NESMITH

Part of Hartford's industrial district, shown at the top of the opposite page, lies along the Connecticut River; one view of the city's skyline is shown at right. Lower left, Memorial Arch near the state capitol, and lower right, home office of one of the many insurance companies which have made Hartford one of the money centers of this nation.

this world if you will only use your head.

Hartford wealth also includes culture. Indeed, the city may be considered one of our cultural centers. When the new American Ballet made its initial public appearance there a few weeks ago, a hall seating three hundred persons was packed, with top prices of $7. The Metropolitan Opera and symphony orchestra appearances are always "sell-outs" in a hall seating thirty-three hundred, with tickets selling for $3.50.

True, such entertainments seem to be gauged for pocketbooks of the better-income class, but much has been done to make the "good life" available to the many, as well as to the few. Back in 1856, Hartford was the first city in the United States, they say, to appropriate public money for a park, and this was done by popular vote. The big park in the center of the city was not a common from the time the city was laid out, as in many New England towns, but was at first a neglected area, an eyesore, privately owned. A vote in favor of buying it gave impetus to the purchase, at about the same time, of Central Park by New York City.

Ever since then, Hartford has been to the fore in providing public recreational activities. It is doubtful whether another city in the country has gone so far in furthering organization for healthful employment of leisure.

Inasmuch as a considerable part of Hartford's population has been connected with life insurance companies, which have a genuine interest in promoting health, these workers have benefited by their employers' stimulation of play facilities. But organized recreation in Hartford is carried on by three principal groups; the other two, besides the insurance companies, are the municipal recreation board and various Hartford industries which cooperate with the Y. M. C. A. Not many residents are overlooked by these three agencies, and there are, in addition, numerous private and independent organizations devoted to sports and recreation.

Despite Hartford's spirit of self-determination, I found important insurance men decidedly frank in their self-criticism. An official of one large company, one believed to have the highest ratio of funds invested in farm mortgages, said to me:

"You know, we have been discovering that we didn't know nearly as much as we should have about our own business. We literally have had to take our coats off and get right down to the soil. For many years, we have been lending money on farm mortgages. We began this at a time when farm land was valued at from $1 to $1.50 an acre, and we lent money at the rate of about fifty cents an acre.

"Often, before the mortgage became due, the farm had doubled in value. That was just as true when we began to lend money at the rate of $25 an acre or so, and after lending money over a period of years on property that never failed to show a substantial increase in value, we decided that we just couldn't lose. We were asleep!

"We know now that the average farmer with a substantial mortgage on his place just can't make any money. When we found ourselves, a while ago, with 3,000 farms listed on which we had foreclosed mortgages, we learned that almost every one of these farms was in a badly run-down condition. Nobody here had thought

GALLOWAY

of that factor in considering the value of the land on our books. We had been accepting high appraisals, because local appraisers had been paid fees based on the amount of money involved. Never again will we make the same mistake. Today, all of our appraisers are on salaries, and have no incentive to overstate the valuations.

"We had been depending too much, all those years, on people we never saw, lending money on land we never expected to see. Our first impulse after the drop in values was, of course, to take our losses, sell the farms, and charge it to bitter experience. But that wasn't wise, and we couldn't do it, anyhow.

"Finally, we had to face the fact that there was only one thing to do. We had to go into the farming business, temporarily. We had to keep those farms and operate them. Not only that, but we had to spend money on them, put buildings into good condition, and stock them.

"First of all, we divided all our farms into three classes—A, B and C. The C farms were so poor that they were not worth trying to improve. More recently, we have been selling a good many of these for what they will bring. Our B farms, slightly better than those in the C class, justified a little expense in making them workable, but not much. The A class, once farms of the highest grade, got most of our attention. We found it inadvisable to work any of these on shares, and hired the necessary labor, appointing supervisors in each locality, on salaries. This was expensive, but it had to be done.

"Now, we come down to the present. Due to the AAA farm program and to our our own efforts, we are making many of these farms pay. Foreclosures are decreasing and we can foresee a time when we can gradually sell our farms without taking a serious loss. We already have sold a number of them, on which we have broken even, counting in our expenses for new buildings and other necessary repairs."

The public, however, has shown no loss of faith in life insurance. While the total value of all new insurance policies sold last year was less than what it was in more prosperous years, the number of small policies has been increasing. Forty per cent of the new business of several companies last year was in annuities. Thousands of persons have been taking their money out of other investments and giving it to insurance companies in lump sums, to be paid back in installments.

"Doesn't this indicate that the public is inclined to behave foolishly?" I asked the president of one company. "Entirely apart from the possibility of inflation, isn't this the wrong time to sell one's stocks and give the money to an insurance company to invest in bonds having a fixed value?"

He smiled and shook his head.

"Right or wrong," he answered, "that's what they're doing.

"In fact, there is so much annuity business, we may have to limit the number of agreements we make. If all our annuity customers promptly died, and we did not have to pay them many annual installments, it would be a highly profitable business; but they are disinclined to die, and it is the least profitable business we have."

Another interesting fact I learned in Hartford, where there are many big fire insurance as well as life insurance companies, is that premiums on both old and new business have been kept up better on fire than on life insurance. Members of a family may decide to drop father's life insurance, but they will not take a chance on having their house or barn burn without insurance.

Naturally, the stability of the insurance companies is an important factor in the comparative prosperity of Hartford. And here is a city representing life under the old economic order of *laissez faire* at its best. Is it surprising, then, that the typical Hartford resident is a thorough conformist—that he should believe whatever *has* been is bound to continue? Small wonder that anyone who foresees changes should be suspect!

(It may be significant that Mark Twain, one of the most important persons who ever lived in Hartford, was never any too popular there; and since his death, no effort has been made, in this city of great wealth, to provide a suitable Mark Twain memorial. His old home is now a library, open to the public; but that is all. Hartford apparently didn't like him because he poked fun at many things which nearly everybody else took seriously. He did not even dress like the other residents. Long before any adult male would have thought of going about hatless in public, Mark Twain wore no hat, and he brazenly appeared in white flannel suits at a time when such things were not done. Worst of all, he did not accord prominent business men the degree of reverence nearly everyone else did.)

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Capitol of the State of Connecticut, one of the most imposing buildings in the conservative old city of Hartford.

Yet, in spite of all this conformity in Hartford and all of the respect for the opinions of those representing wealth and status, one may detect the beginning of a little breaking away—a recognition, slight but unmistakable, that the essence of life is *change*, and that inevitable changes are upon us.

A while ago, the pastor of one of the leading churches made a bitter attack on the wickedness of selling munitions of war. One Hartford theological seminary is now sometimes spoken of as a "hotbed of radicalism", although I heard of no "radical" statements that went beyond anti-war utterances and pointing to economic conditions as a cause of wars. Still, such things did not happen in Hartford five years ago—and the next few years may bring even more startling developments there.

Perhaps the most interesting man in Hartford is Samuel Ferguson, president of the Hartford Electric Light Company. By comparison with almost any other utility man in the United States, he is a radical. Other utility men often have been vexed with him. He is the only utility man, so far as I can learn, who has had anything good to say of the Tennessee Valley Authority.

Although Mr. Ferguson has offered plenty of criticism of the Tennessee Valley project along certain lines, he comes right out publicly and says great good may come—good not only to the people, but even to utility companies themselves—from what the TVA is doing. Most utility companies, says Mr. Ferguson, have been stupid in failing to recognize that more money may be made from selling much current at a low rate than by selling a little current at a high rate. If the TVA forces all utility companies to put minimum rates at a figure that will encourage more use of electricity, with electrical apparatus priced to induce more people to buy, then great good will come, even to privately-owned companies with current to sell, he says.

Since the depression began in 1929, his own company has almost doubled the average use of current per customer through price reductions. In the Hartford territory, there are nearly five thousand electric ranges and more than one thousand electric water heaters in use, and a large proportion of these has been installed in recent years.

Mr. Ferguson has been amazingly outspoken in condemning various so-called holding companies. Here is one of the stories he tells:

During the stock market boom days, a representative of a holding company called upon Mr. Ferguson and outlined details of a stock issue about to be offered to the public.

"Don't you think it will look pretty attractive?" the representative asked.

"It may look attractive to those who don't know any better," replied Mr. Ferguson, "but I don't see how you are going to be able to show profits of more than 3 per cent."

"That's true," admitted the visitor, "but we decided we couldn't afford to miss this market."

"I knew the price was just about four times what it was worth," says Mr. Ferguson in his candid way, "but I bought $20,000 worth. I kept it until the price on the stock exchanges showed me a profit of 75 per cent, then I sold. Ever since, I have felt shamefaced, as if I had been a receiver of stolen goods!"

Be that as it may, this is a somewhat startling person to find in conservative Hartford. He has made his statements about holding companies more than once, and sometimes publicly. A number of other business men have declared this in "bad taste".

Another group of men in Hartford who are alert about facing realities are officers of certain insurance companies. They know that the world is undergoing changes which wishful thinking cannot hold in leash.

Those who prefer life as it *always has been* will probably find Hartford to their liking longer than almost anywhere else. But even Hartford might change.

Behind the Barricades

(THE TIDE OF BUSINESS)

BY ROBERT DUNCAN

CONGRESS is viewing the larger units of our heavy industries with interest, and the same corporations are viewing Congress with alarm. Several of the capital goods industries are increasing their activity at the present time, and are contemplating expansion. But Congress has before it two proposals which, if enacted, probably would at least temporarily retard the present progress of recovery in the industries which would be affected. The Wheeler bill and the thirty-hour week proposal are the pending measures which are most feared.

The Wheeler bill, in effect, proposes decentralization of our larger corporations; it would attain that end through a graduated tax scheme that would be expected to force the larger industries to subdivide themselves. This bill provides for a graduated income tax on corporations similar to the present Federal tax on individual incomes, and would levy supertaxes on businesses with incomes of more than $3,000,000 a year. The heavy goods industries, which normally employ thousands who are now on the relief rolls, would be the ones most directly affected by the Wheeler proposal.

At the moment, sentiment in Congress strongly favors decentralization of industry, and in all probability the pending bill would at least partially attain that objective, if the large industries could manage to divide themselves with any degree of success. The corporations contend that under the existing conditions they could not possibly pay the proposed taxes and remain in business. They are pinning their hopes on the possibility that the bill will not be passed at the present session and that Congress will either forget or change its mind about the proposed tax measure before the next session. Public sentiment just now seems to favor industrial decentralization, but there is a general feeling that it should be more gradual, more orderly than it might be under the terms of the Wheeler bill.

The leading capital goods corporations, manufacturers of steel and of heavy industrial equipment, are uncertain as to just how a universal thirty-hour work-week would affect their business. Most of them oppose it, but there are some who believe that a blanket reduction of hours would necessitate more factory machines and that the heavy goods industries would benefit accordingly.

If any threat of either of the proposals being passed at this session develops, the industrialists are prepared to fight every step of the way. Meanwhile, they are proceeding on the theory that neither of the bills will be adopted immediately, perhaps never. And in contradiction to the allegation from the left that industry is dragging its heels, several of the largest units in the heavy industries field are announcing plans for expansion and improvements.

Steel is leading all others in this movement just at present, and is showing some really remarkable gains. Within the past few weeks, this industry has announced that it proposed to spend more than $100,000,000 on modernization and expansion. The United States Steel Corporation is to invest $47,000,000 on equipment and improvements; Bethlehem Steel has ordered the equipment for its continuous strip mill at Buffalo, a $10,000,000 investment; and Jones & Laughlin, fourth largest company in the industry, has announced its plans for a $4,000,000 project in the Pittsburgh district. National Steel, Youngstown Sheet & Tube, and Republic Steel are to make similar investments.

HINE FROM CONNELLY

Steel is leading the field in the movement to prove that industry is not dragging its heels, and will spend $100,000,000 in its efforts.

The Pittsburgh steel area will be especially benefited by the improvements, and this fact apparently denotes two things—first, that steel production is not moving westward as swiftly as was expected by some; second, that the trend toward lighter materials is not yet rapid enough to constitute a menace to the heavier products. The Pittsburgh steel area has been comparatively inactive for several years, and it was feared for a time that this important unit in our industrial system would be unable to recover because of steel development farther west and the increase in the use of lighter materials suitable for manufacture. But the demand for the heavy steel bars and plates which the Pittsburgh plants are equipped to produce is now increasing and probably will be further accelerated by the recent development of improved welding processes.

The new strip mill at Buffalo is one unit of several similar plants of the Bethlehem corporation; it is expected to remain busy and may require enlargement to meet the demands of the automobile and refrigerator plants it will serve.

The availability of water transportation facilities is one of the chief reasons why Buffalo and Pittsburgh steel plants have been favored in the current modernization and improvement programs. Buffalo can ship by water to Detroit seven months of the year, and Pittsburgh can send its products to factories throughout the Ohio and Mississippi Valleys almost the year 'round. In such industries, the consideration of freight rates is important, although not as important as the question of new corporation taxes and the disruption of companies controlling entire groups of large plants.

More expansion in the durable goods field may be expected if the investing public decides to put its money to work again and turns to private industry, as it temporarily appeared likely to do immediately following the gold clause decision announcement. The most conservative estimates place the amount of new capital urgently needed at several billion, and a great deal more than that can be absorbed within the course of a few months if the smaller units in the field receive orders enough to necessitate full-time operations.

Leave to Print

BY R. F. A.

ATTORNEY GENERAL CUMMINGS has expressed his own feelings, and those of most other Administration members, concerning the Supreme Court in a story which has made the rounds of Washington, including the members of that highest bench.

Says the Attorney General: "You don't mind starting out to play nine holes of golf at the first hole, even when your opponent is pretty strong. But when you start every game four down at the fifth hole and have to win every hole,—!"

Several of the leading lawyers in the Administration had hoped that at least one of the four conservatives of the Court would join with the liberal and middle-of-the-road Justices in upholding the annulment of gold clauses in private contracts. But now, the feeling is general in the Administration that the minority of four is set like a rock.

The five-to-four alignment has held in every important case since the New Deal began—in the Minnesota moratorium case, the New York milk control law, and now the gold decisions. If the majority of five were fixed as solidly as the minority of four, the Administration would be less worried. But cases are about to come up in which there is no reason to assume, from their past records, that all the liberals and middle-of-the-roaders will be found behind the New Deal. These cases involve the NRA and the AAA, not to mention the Railroad Retirement Act, concerning the constitutionality of which the President himself expressed doubt when he signed the bill last June.

If the fervid dissenting opinion of Justice McReynolds and his philippic from the bench may be taken as an index, the old guards of the Court are going to battle every inch of the way. In less soul-stirring times, two or three of them might be expected to retire. But, apparently, the New Deal has roused the fighting spirit in them, much as it has in Senator Carter Glass.

Under these circumstances, it is not surprising that the victory of the government in the gold cases has not entirely stopped serious discussion of the advisability of either enlarging the Court or somehow circumscribing its assumed power to hold an Act of Congress unconstitutional. Those who feel that such action would be justified argue that the point of view of the minority of the Court has been overwhelmingly repudiated by the nation. They think it would be less objectionable for Congress to take action after the government has won in a vital test before the Court than to postpone it until, through a slip somewhere, the government loses on a crucial issue.

The opposing view, now in the ascendancy, is that nothing should be done to alter the Court unless a change becomes absolutely necessary.

Those who hold this viewpoint recognize that Chief Justice Hughes and Associate Justice Roberts and the three other liberal members are showing a very high degree of statesmanship, and urge that they be afforded every opportunity to preserve the integrity of the Court's traditional position. Looking into the future, a number of liberals foresee that the time might come when a liberal Court would be at least a strong moral bulwark for the civil liberties. They would not expect it to withstand a determined reaction of the Fascist type, but point out that it probably would impede such a reaction if its prestige and power had not previously been impaired by liberals. Therefore, so long as a majority of the Justices seem disposed to cooperate in the orderly process of economic readjustment by democratic means, they would not make too much of an issue of minor setbacks at the Court's hands.

Southern Uprising

The Bankhead Farm Tenant bill has escaped general notice in the East, but it is a significant indication that at least some of the property-owning groups in the South have come to see that their position rests on a precarious foundation. The bill would set up a Federal corporation to assist tenant farmers, share-croppers and agricultural laborers to acquire their own farms.

Absentee land ownership is by no means confined to the South, but the share-cropping system is largely peculiar to the South; and that section of the country also has the heaviest concentration of propertyless farm laborers. For several years there have been signs that these submerged classes are beginning to feel the urge to assert the power which lies in their numerical superiority.

The spectacular spread of the influence of Huey Long and his "Share Our Wealth" movement has aroused dark fears among the Southern property-owning classes. Senator Long's proposal to give every person $5,000, through a redistribution of wealth, seems too modest to be enticing to a great many people. But to the share-cropper, $5,000 means independence.

The Bankhead bill may be interpreted as the reply of moderate but realistic Southern thought to the threat of Huey Long. It would not necessarily increase the output of the stable Southern crops—all the people it would benefit already are working on the land, or were before the inception of the cotton production control program. As to the effect of reduced crops on share-croppers and farm laborers, there is considerable difference of opinion. Some of the AAA surveys indicate that, as a result of the safeguards introduced in the cotton contracts of 1934, tenants and share-croppers have been protected in all but exceptional cases. According to this analysis, there are as many persons engaged in producing crops in the South as there ever were. The increase in the number of farm laborers is attributed to the increase in population. Other surveys have been less favorable in findings concerning the effect of the production control on share-croppers and farm laborers. At any rate, the large agricultural proletariat in the South has begun to stir around enough to make the thinking Southerners take notice.

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WIDE WORLD

Justice McReynolds, leading conservative, is truly alarmed.

Night and Day

EMPLOYMENT gains slowly, but one trade is flourishing in Washington. The fellows who scrape off and paint names on the AAA office doors are working night and day.

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Some people feel that the Supreme Court took a long time to decide the gold cases, with everybody feeling so jumpy and disorganized. These critics forget that the venerable Justices had to make up their minds without any help from Father Coughlin and William Randolph Hearst.

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October Days

(Continued from Page 5)

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To a friend who recently asked him how he spent his time and whether he still concerned himself with the work of the Supreme Court, he replied: "No, I do not. I want to spend the rest of my days like a rock in the bed of a river with the water flowing over it."

To those who know him, the explanation of this attitude is plain. Views about things have, for him, ever been responsible opinions; and to have responsible opinions in matters pertaining to court decisions, would entail the reading of a great mass of material which he has put behind him. Resignation means resignation. That chapter is closed. On the other hand, nothing gives him greater pleasure than visits from his old associates of the Court.

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Leave to Print

BY R. F. A.

ATTORNEY GENERAL CUMMINGS has expressed his own feelings, and those of most other Administration members, concerning the Supreme Court in a story which has made the rounds of Washington, including the members of that highest bench.

Says the Attorney General: "You don't mind starting out to play nine holes of golf at the first hole, even when your opponent is pretty strong. But when you start every game four down at the fifth hole and have to win every hole,—!"

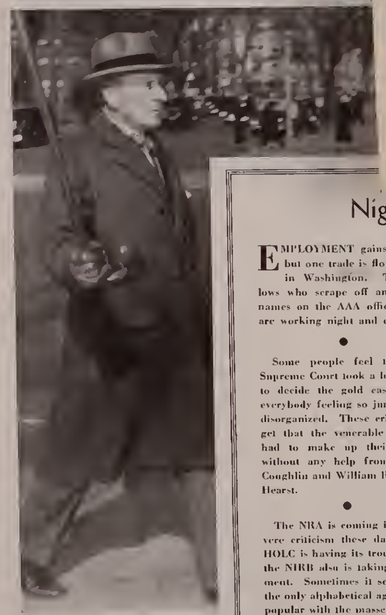
Several of the leading lawyers in the Administration had hoped that at least one of the four conservatives of the Court would join with the liberal and middle-of-the-road Justices in upholding the annulment of gold clauses in private contracts. But now, the feeling is general in the Administration that the minority of four is set like a rock.

The five-to-four alignment has held in every important case since the New Deal began—in the Minnesota moratorium case, the New York milk control law, and now the gold decisions. If the majority of five were fixed as solidly as the minority of four, the Administration would be less worried. But cases are about to come up in which there is no reason to assume, from their past records, that all the liberals and middle-of-the-roaders will be found behind the New Deal. These cases involve the NRA and the AAA, not to mention the Railroad Retirement Act, concerning the constitutionality of which the President himself expressed doubt when he signed the bill last June.

If the fervid dissenting opinion of Justice McReynolds and his philippic from the bench may be taken as an index, the old guards of the Court are going to battle every inch of the way. In less soul-stirring times, two or three of them might be expected to retire. But recently, the New Deal has the fighting spirit in the as it has in Senator Car

Under these circumstar not surprising that the vict government in the gold not entirely stopped seriou sion of the advisability enlarging the Court or som cumscribing its assumed power to hold an Act of Congress unconstitutional. Those who feel that such action would be justified argue that the point of view of the minority of the Court has been overwhelmingly repudiated by the nation. They think it would be less objectionable for Congress to take action after the government has won in a vital test before the Court than to postpone it until, through a slip somewhere, the government loses on a crucial issue.

The opposing view, now in the ascendancy, is that nothing should be done to alter the Court unless a change becomes absolutely necessary.



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Southern Uprising

The Bankhead Farm Tenant bill has escaped general notice in the East, but it is a significant indication that at least some of the property-owning groups in the South have come to see that their position rests on a precarious foundation. The bill would set up a Federal corporation to assist tenant farmers, share-croppers and agricultural laborers to acquire their own farms.

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Outside of the law, the Justice's interests and pleasures have always been in books, friends, talk, in contemplating nature and the panorama of life. These still make up his life. A high-spirited and able young secretary, selected each year in unbroken custom from among the graduates of the Harvard Law School, reads aloud to him a portion of each day. Most of the new books worth reading, not excluding fiction, come their way. Arnold J. Toynbee's *A Study of History* finds its way to the Justice's desk. Francis Hackett's *Francis the First*, sent to him by the author, an old friend, has given him delight. Recent days were spent reading *The Open Door at Home*, which was brought to him by Charles A. Beard, with the inscription, "To the First Citizen of the Republic". A rereading of Henry Adams' *Mont St. Michel and Chartres* kindles warm old memories. A long list of detective thrillers has been read and forgotten.

On days when the weather is good, there is a drive to some accustomed favorite spot. Novelty is not a requirement where the imagination is active. And those who are privileged to see Mr. Holmes from time to time know that he retains the old sparkle. To a friend who sent him a telegram last Christmas, "Confidentially, there ain't no Santa Claus; but life is good," the swift reply came, "Of course there is a Santa Claus. Don't be sentimental."

A certain ordered simplicity and reserve have always distinguished the conduct of his life. The jostle of the market place is not for him. A rock in the bed of the river, the waters of contemporary events have always flowed over him. Since his retirement, there has been but a single notable exception. Two years ago, he consented to become one of the sponsors of the University in Exile because, in his words, the termination of intellectual freedom in the German universities constitutes "a challenge to civilization".

JUSTICE HOLMES' life, as an achievement, is an example none of us may follow. Although heredity and environment doubtless had their share in it, its ultimate explanation is the mystery of genius. But his way of life—the unsparing use of all his powers, his devotion to ends greater than himself—is open to all. In our perplexities and vexations, we may all draw refreshment and strength from the high serenity of his ninety-four years.

WIDE WORLD

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the movement, the Friends continued their efforts to make America safe for Hitlerism. Here follow reports on recent meetings (January and February, 1935) which TODAY has obtained from the same sources that provided the documents for its first Nazi exposes, and which were given to the McCormack-Dickstein Committee and thoroughly substantiated.

At every meeting of the Friends, one will find a large table displaying the latest styles in Nazi propaganda. A year ago, the books and booklets, pamphlets and newspapers all appealed to Americans and argued for Hitlerism; today, the propaganda is almost exclusively anti-Semitic. For $.90 to $1.50, one can buy German and German-American publications such as the *Protocols of the Elders of Zion*, *Juden sehen Dich an* (Jews Looking at You), *Vierzehn Yahre Juden Republik* (Fourteen Years Jewish Republic), *Juden als Rassenschaender* (Jews as Despoilers of the Race).

The United States flag is still prominently displayed at most of the meetings, but, as usual, Nazi emblems are tacked on or partly over it. At one hall, a large lithograph of George Washington is draped with a swastika banner which hides all but a part of the frame. Beer is usually sold in an anteroom, but payment is in the form of a "donation" dropped into a box covered with a swastika.

At several meetings held in January and February of this year, Nazis attended in uniforms. Some of the meetings were open to the public, but admission fees were charged at most of them; some were resolved into secret meetings with non-Nazis expelled, while others were secret from the start.

[illegible] Ministers

At a meeting in Hackensack, New Jersey, on January 5, William H. Roth, who presided, said he had made arrangements with the police for "non-interference" at future meetings.

Herr Roth, after denouncing two New Jersey ministers who had spoken against subversive Nazi activities (the Rev. Beach of Ridgewood and the Rev. Van Kirk of Englewood) as "dirty tools", made the unqualified statement that the "gentile ministers who have addressed peace and anti-Nazi meetings in Bergen County are on the payroll of the Communist party in New York and receive weekly cash stipends".

At another recent American Nazi meeting, twelve strapping members of the Italian-American Fascisti Union of Garfield, New Jersey, exchanged Fascist salutes, said they represented an organization of three hundred men and that their aims were similar to those of the Friends of the New Germany.

A Mr. Wolthausen from New York Nazi headquarters, introduced as a propagandist, said: "Jews deserve no pity, but every persecution; do not pay attention to propaganda of 'Christian brotherly love' because that is a Jewish racket." This speaker said of Russia: "The Jews engineered the revolution there on orders from Wall Street Jews; 15,000,000 gentiles were butchered."

At still another meeting, Hans Borchers (not the consul), Walter Kappe, Wolthausen, and an alleged representative of the New York office of the Hamburg-American Line

The Faded Shirts

(Continued from Page 4)

(who showed a propaganda film) were the principal entertainers. Herr Kappe, national press director, said: "All this American business is nonsense. The Friends of the New Germany are an organization for Germans and German-Americans and their chief function is to make the Americans allies of Adolf Hitler." New locals were reported in Elizabeth and Hoboken, New Jersey, and Schenectady, New York. Organization progress was reported in Trenton, Camden and New Brunswick, New Jersey.

Herr Wolthausen said: "There must be no quarter given to any Jew. If you do not destroy them, they will destroy you. Don't let a day go by without making at least one American a Jew-hater. Repeat it over and over again to your American friends and acquaintances, the Jew is the enemy of everything decent; don't be deceived by his friendly attitude; wipe him out."

At almost all recent meetings, the split between the two factions, and charges of corruption, betrayal and

"That's where I spent the depression."

embezzlement have been, second only to anti-Semitism, the main themes. At one meeting, one of the founders, K. G. W. Luedecke, was charged with spreading "all those lies that brought about the split". Walter Kappe declared that the charge he had published about Luedecke in the Philadelphia Weckruf had been sent him personally by General Goering, in his capacity as chief of the German secret police, and was an exact copy of the official German government files.

If Luedecke could be taken back to Germany, Kappe said, he would be shot.

"In spite of all the nonsense that people talk about," concluded Kappe, "I am in closest touch with the German Nazi party." He said that Gissibl's trip to Germany in February, 1934, had been made at the express command of the Nazi party, "which had ordered, at that time, that his departure remain secret so that the damned snooping American authorities should not know about it . . . As soon as the ridiculous Dickstein Committee is disbanded, we will not have to be quite so careful as to how to deal with traitors in our ranks."

In most meetings which have followed the investigation by the McCormack-Dickstein Committee, the "Fuehrer" principles have been a subject for discussion and dispute. The extreme Nazis hold that the bylaws of the organization in America, which are based on this dictatorial leadership principle, are "not un-American because democratic elections, which are a Jewish invention, can never accomplish anything".

In all such meetings, one fact is most noticeable: The speakers, whether Germans or naturalized Americans, exhibit the Nazi mentality and speak as foreigners, not as Americans. The audiences are urged to spread a gospel to Americans; in every case, Americans are referred to as a class apart.

It is as though the meeting were taking place in Germany, not on Eighty-sixth Street, New York, or in Hackensack, or Philadelphia, Chicago or Milwaukee.

The Nazi attitude in America was further illustrated at one hearing of the Congressional committee, when Walter Kauf of Irvington, New Jersey, testified. He began by admitting that he was not a citizen of the United States, but said he had applied for citizenship. He was a member of the Friends of the New Germany. Under oath, he testified that, although he was prepared to give up allegiance to all other countries and support the Constitution of the United States, "I understood it was always the duty of a citizen to keep up a friendly feeling with Germany."

"You, as a member of the Friends of the New Germany, follow a leadership principle, because that is exactly what your application blank says, would that be consistent with the oath of allegiance that you take to the United States?" he was asked.

"It has nothing to do with it," was his reply.

It was pointed out to Herr Kauf that in Nazi organizations there was discrimination against "a certain people", against colored blood, and against Masons; that the Fuehrer principle was stressed. "Do you still want to say that, in spite of that, you can take allegiance to the United States and renounce allegiance to Germany?" he was asked.

"Yes," he answered.

"And you still expect to continue to carry on in the Friends of the New Germany in this country after you become a citizen?"

"Yes."

The case of Otto H. F. Vollbehr is another significant example of the Nazi propagandist at work. Herr Vollbehr is a volunteer, unpaid and uninstructed by Hitler. He considers his work constructive.

He obtained his mailing list from ex-Representative Ross Collins, who put through a bill which resulted in Congress buying a collection of rare books from Vollbehr. This supplied his funds. (The main item in the collection was a Gutenberg Bible. The price paid for the collection was $1,500,000—which, according to New York experts and bibliophiles, was at least three times what the books were worth. But the ironical part of the transaction is this: The money raised by the sale of the first Bible ever printed provided the funds for a campaign of race hatred and propaganda in a foreign land.)

Herr Vollbehr's publications are devoted largely to crediting Hitler with destroying Communism in Germany. In America, he saw the strike in San Francisco and decided that the leaders were Jewish Communists. Asked whether he knew that the leader was an Australian named Bridges, he replied that he did not know. In addition to spreading propaganda of his own, he has purchased quantities of pro-Hitler literature published by others, and distributed it in the belief that it will make for better friendship between the United States and Nazi Germany. Asked whether some of the publications he had been distributing were directed against President Roosevelt and his advisers, Herr Vollbehr admitted that they were, but "only politically".

Little Regard for Truth

There are still many such persons at large. With little or no regard for facts or for common truth, actuated by prejudices and ignorant of the common decencies, they join in whatever movement offers them a place to exhibit their egos. They are notable in all the beshirted orders.

In spite of the several riots, clubbings and other disorders in the short history of Hitlerism in America, we have had nothing comparable to one experience reported from Buenos Aires. There the police broke up a group of conspirators who had engaged in, or planned, arson, bombings and murder. Twelve were arrested in an attempt to bomb a crowded theater which was presenting an anti-Hitler play; confessions implicated a bookkeeper of the Deutsehe Bank as ringleader. An official communique from the presiding judge accused the twelve of planning wholesale destruction of life as part of a terroristic program to make Buenos Aires safe for the Brown Shirts.

Among the several shirt organizations not sponsored by foreign agents, but by self-styled "100 per cent Americans", the most important last year was William Dudley Pelley's. The Silver Shirts, or "Christian Militia", at one time claimed 2,000,000 members but the number was greatly exaggerated; however, their official organ, *Liberation*, did have a circulation of 8,000.

Founded in Asheville, North Carolina, on January 31, 1933, the Silver Shirts had a sort of Ku Klux Klan ideal. Pelley, who indulged in mysticism and gave spiritualistic seances, claimed that he had a "vision" the day Hitler came into power, and the vision directed him to organize America on an anti-Roosevelt, anti-Jew, anti-Catholic, anti-Communist basis. He tried it. In addition to the Silver Shirts, he founded the Galahad Press and the "Foundation for Christian Economics".

On May 23, 1934, Pelley was indicted by a grand jury on sixteen counts for alleged violation of the North Carolina blue sky laws. His two aides, Robert C. Summerville and Don D. Kellogg, were also accused of selling stock in the Galahad Press, which published *Liberation*, the indictment alleging that the stock was worthless and, therefore, fraud and conspiracy had been committed. On January 22 of this year, Pelley was convicted on two charges, as was Summerville. Both are under suspended sentences. Kellogg was acquitted.

In California, a schismatic Silver Shirt organization published the *Silver Legion Ranger*. Its slogan was "For Christ and Constitution".

(In next week's isue of TODAY, Mr. Seldes, who was the Berlin correspondent of the Chicago *Tribune* for eight years, will conclude his survey of current Hitlerite activities, including efforts to make Nazi propaganda of the Lindbergh kidnaping and Hauptmann trial; he will also disclose what became of the other colored and faded shirts of America, discuss the alien and sedition laws planned to curb their growth, and point out what he considers the still greater danger of a Hitlerite or Fascist demagogic movement in America.—THE EDITORS)

Those Alimony Blues

(Continued from Page 9)

"Where there are no children," says Judge Sabath, "we divorce judges are getting away from the idea of alimony. But it is the harshest thing in the world to convince some of these women that they must adjust themselves to modern conditions. As for jailing husbands, I am absolutely against it unless a man openly defies the court and refuses to pay for the support of his children when he is able to do so."

There have been instances in which Judge Sabath has ordered divorcees to pay alimony to their ex-husbands. The wealthy women thus penalized usually agree to lump-sum settlements and go their way, unworried about prison bars. Not so the husbands. One of Judge Sabath's colleagues on the Chicago bench sent fifty-two defaulting husbands to the Cook County jail within the space of a few weeks. Both in Brooklyn's Raymond Street jail and in Manhattan's county prison on Tenth Avenue, there are "alimony clubs", with active—or perhaps one should say, passive—memberships averaging between twenty and thirty men each.

Not all of these men are young or middle-aged. Only a few weeks ago, a New Yorker of eighty-two years was sent to jail on motion of his seventy-two-year-old spouse, whom he had not seen for ten years. Under a separation decree, she had obtained a maintenance allowance of $25 a month. The aged ex-husband had missed a payment, and to jail he went. The Alimony Reform League of New York State, Incorporated—one of several such organizations—was instrumental in restoring his freedom.

Isabel Drummond, in her book, *Getting a Divorce*, reported the case of a Californian who was kept in jail four years because he wouldn't pay alimony until his daughter was put in the custody of someone other than his ex-wife.

"What is a wife worth?" inquires Miss Drummond, a Philadelphia attorney. "The question is no longer of what she will bring, but of what she will take. To place no value on her as an attachment is to increase proportionately her price of detachment, many husbands have discovered. It may be in despair of their past that they go into a divorce court, but it is more often in despair of their future that they come out, for, in most instances, it is the husband who pays and pays."

Away from the crowded centers, alimony is less of a racket with ex-wives, and jail less of a threat to ex-husbands. In Pennsylvania, the practice has been to confine alimony defaulters for only short periods. In these doleful days, Pennsylvania husbands who lose their jobs are not punished for contempt upon missing a payment. Ohio and Massachusetts courts also are reluctant to imprison such husbands. California has come to consider financial disability as an acceptable defense. In Mississippi and in several other states, it seems to be the rule not to grant money to a childless wife who is in good health and able to take care of herself, except where a sizeable estate is involved.

Gold-Digging Standard

Such, however, is not the comforting case in certain other states, notably New York. In New York City, where many women are still on the gold-digging standard, judges rarely see either of the principal parties at the beginning of the separation or divorce action. All they know is what they see in the lawyers' affidavits and briefs. A discontented wife, upon deciding that she wants a separation or a divorce, looks up a lawyer. For a divorce in New York, she may cite but one legal reason—adultery. If the husband is accommodating, it is easy enough to obtain faked evidence against him. There are agencies which supply everything necessary to satisfy the court, including a feminine corespondent in negligee, and a raiding party to testify at the trial. But suppose the little woman doesn't want to marry another. Then she may choose to ask only for a separation, and, with it, separate maintenance.

If she is smart, she will hire a smart lawyer. He will go to court carrying several pounds of foolscap upon which, with impressive prolixity, he has recorded what a magnificent automobile the husband possesses, how many clubs he belongs to, and so on. The bigger the bundle under his arm, the better his chance of obtaining a large allowance for his client and a fat fee for himself. The judge, remember, has many other affidavits to peruse and he may be impressed by the very bulk of the reading matter submitted to him.

Once the lawyer has obtained the desired temporary alimony or allowance, he often can take his time about pursuing the case.

The defendant may not be guilty. He may not even defend the action. Or, still worse for him, he may not have paid his counsel fees. But when the temporary alimony or allowance is fixed, he must pay it, regardless of guilt or innocence. If he fails to do so, he runs the risk of being sent to jail. Perhaps he offers no defense because he doesn't want his name in the newspapers. He might be, for example, a vice-president. And a vice-president has to watch his step. In such a case, he probably will pay whatever the court orders, these orders generally being based largely, if not entirely, on the affidavits so voluminously compiled by attorneys.

Thereafter, the plaintiff can take her own time about proving what she has alleged, unless the husband has a heart for uncertain fate and a diligent lawyer. Meanwhile, the temporary alimony goes to the wife every week or every month. Her lawyer can find excuses for not proceeding to trial. The husband, in time, could force him to do so, but perhaps the husband fears that he might lose his position if the newspapers make much ado over his domestic disenchantments. He may prefer to go on quietly paying.

As one New York judge expresses it, in the majority of cases coming before his court, "the award of temporary alimony operates for all practical purposes as a final reward —and the merits of the action are never fully determined." Big city judges have too many other cases to bother about.

New York's harassed ex-husbands and prospective ex-husbands still have many a furrow to plow into the law books before they can have much peace of mind. The Alimony Reform League has a legislative program which, with variations, is also the program of certain groups in other states. Before temporary alimony or counsel fees are awarded, or before a husband is adjudged in contempt, the League wants mandatory oral hearings. Let the judge have a look at the plaintiff, instead of relying entirely on what her lawyer says! The League wants the plaintiff to be compelled, after obtaining temporary alimony, to post her case for trial during the next term of court, usually a matter of no more than thirty days in the future. And, should a husband be imprisoned for contempt, it wants to stop the increment of his debt during his incarceration. Most of all, the League wants separate courts established to try all cases arising out of what is known as the marital status.

Meanwhile, husbands will continue to sing Those Alimony Blues.

increases vary with the seasons and in different sections of the country. These boosts—and whether they seem large or small, depends upon the viewpoint—present a real problem to the industry with respect to both immediate and permanent recovery. The vital question confronting the operators through this particular period of reorganization is whether they can hold prices low enough so that consumers will not be driven to use other kinds of fuel. When it is realized that 122,000,000 tons of bituminous coal are burned annually to heat homes and business buildings, schools and hospitals, and that this is more than one-third of the yearly production, the threat assumes disastrous implications. Industries cannot shift so easily to other forms of energy, but they can shut down if production costs soar beyond their capacity to pass them on. Coal men contend, however, that the success of domestic and industrial users in obtaining the ultimate spark of heat and energy from each lump of coal tends to level off costs in spite of the higher price.

The story of anthracite prices is quite different. Facing fiercer competition from progressive installation of oil and gas heating equipment in residences, this industry feels that submission to the code and adoption of higher prices would only weaken it in the fight for fuel markets. Anthracite operators have been badly burned—by oil, by gas, and by coke. Between 1924 and 1931, the annual consumption of oil for residential heating leaped from 5,000,000 to 25,000,000 barrels; and the use of oil increased from 12,000,000 barrels in 1925 to 15,731,000 in 1931 for other types of structures. Only 2,800,000 tons of coke went into home furnaces in 1924, but in 1933 the total was 10,215,000. In terms of anthracite, this meant that production of domestic fuel fell from 56,576,296 tons in 1924 to 27,755,353 in 1933. Despite the increase of population, we are now producing no more anthracite than we did in the early 'Nineties—49,000,000 tons—as against an annual output of 80,000,000 tons in pre-war years.

And while the bituminous price has been increasing, that of anthracite has dropped steadily. Since September, 1933, when its sister-industry embraced the code, the retail price of anthracite decreased from $13.12 a ton to less than $13 in the Summer of 1934, and was $13.02 in December, 1934. The figures vary, of course, for different grades and in various localities, but this summary presents a fairly accurate graph of anthracite's downward curve. It also reflects the reasons for conditions only slightly less chaotic than in the past.

Although it is difficult to interest the harassed coal-shoveling citizen in the problem of conservation, the question is linked directly with the trend of present and future prices. As the National Resources Board has pointed out, it is not exhaustion so much as waste of our coal reserves which threatens excessive costs to the nation and the consumer. The Pennsylvania anthracite fields, for instance, are only 29 per cent exhausted, but they are rapidly reaching a point where production costs will mount sharply. There are still vast bituminous reserves, but depletion has diminished the high-grade seams which have furnished a plentiful and cheap supply of coal. As the competition

Ex-King Coal

(Continued from Page 7)

becomes keener through failure to stabilize the industry, operators rush to cash in on their richest and most accessible seams. When physical difficulties in extracting coal boost their costs so that they cannot compete in a dropping and disorderly market, they abandon this property and move on to another profitable and easily accessible vein. By reason of these wildcat operations, approximately 4,802 bituminous mines were abandoned between 1923 and 1932, not because of exhaustion, but because it was unprofitable to operate them under prevailing conditions. It is likely that a majority of them never will be reopened; the cost of reopening only the best of these deteriorated mines probably will boost tomorrow's coal bill by many millions of dollars. Inasmuch as hundreds of millions of tons have been wasted through this foolish process, the relationship of conservation, maintenance of an orderly industry and price is not only obvious, but painful. Such a loss of a basic resource would be mourned as a great national calamity in any other country.

The best—or worst—example of this ruinous system occurred in 1929. Although that was a year of abnormal industrial activity, it was a hectic period for coal. With a crumbling wage and price structure, with cut-throat competition spurring each operator to mine his finest veins lest he lose markets to a rival across the valley, the operators lost their heads and their markets. It was legal plundering—they owned the mines—but it was plundering just the same. Had production progressed at the 1929 rate, the famous beds near Pittsburgh would have lasted only one hundred years, and the high-grade seams would have disappeared long before that. The same rate of production would have depleted the southern West Virginia field in eighty-five years, and other fields which furnish the foundation for steel and many major industries would have vanished in a similar period. To illustrate the economic absurdity of the performance, it is only necessary to consider the operators' returns, the miners' wages and the prices to the consumers during this coal rush. The bituminous operators closed the year with a total loss of $15,822,052; the anthracite group, with an aggregate profit of only $1,660,581.

The misuse of basic resources and capital has been matched only by the waste and destruction of human beings. Between 1923 and 1933 more than 340,000 miners lost their only means of livelihood. Since they are given to having large families, it is probable that some 1,200,000 persons were violently uprooted from a way of life to which they were attached by temperament, training and heredity. Some found other employment, but the miner is not a drifter. He longs for his close, communal existence; he is no mixer and he is not especially adaptable. The majority of the 340,000 jobless men still crowd their shabby hamlets, living on friends or relatives, or on public or private charity rolls. Fewer states have suffered from higher relief tolls than those in the mining area, and the tales of hardships in these communities are pitiful. If the railroad employes and other workers who derive employment from coal operations are included, it is probable that those who are unemployed as a result of the demoralization of this one industry total at least one-twentieth of all the nation's jobless. Where they have not become unemployable through age—and age falls with the swiftness of Autumn twilight in coal towns—they have been barred from re-employment by the closing and the mechanization of mines. Using modern machinery, the average miner now turns out five tons a day, as against 3.61 tons daily in 1923. Even reorganization of the industry may come too late to salvage thousands of derelicts, though it may prevent an appalling repetition of this human tragedy.

Their struggle to survive has produced several bizarre, human and economic phenomena—including the bootlegging of anthracite in eastern Pennsylvania and the trucking of soft coal at cut-rate prices from small mines. The bootleggers are jobless miners. They dig the coal from shallow pits on company land, defying state and coal-and-iron police because local sentiment supports their poaching. Juries and justices refuse to convict such lawbreakers when they are arrested, and even the local clergymen look upon their activities as legitimate When the companies dynamite their hillside pockets, they open up other surface seams. The coal bootleggers truck the product day and night to cities in Pennsylvania, New York and New Jersey, disposing of it at prices somewhat lower than the regular retailers charge. It is understood that more than 25,000 persons are engaged in mining and trucking and handling this bootleg coal, and their earnings keep many communities from complete economic collapse. The loss of coal is not so important to the producers as the loss of markets. It would be uneconomic for them to dig out this coal, but they grieve at the sale of bootleg coal valued at $35,000,000 a year, in addition to an estimated loss of $12,000,000 to their railroads.

There is a similar operation in the bituminous fields. Although production has been increasingly concentrated in the larger mines, so that they now produce 70 per cent of the annual output, the number of mines producing less than 10,000 tons per year has increased by many hundreds since 1930. These consist of little more than shallow pits on the land of farmers and unemployed miners. Because of their small size, they are exempt from state safety regulations; and their operators make no attempt to comply with the NRA code. Generally, each such mine is operated by one family, sometimes employing a friend at sub-code wages; and they truck their product to cities within a range of fifty miles. It is estimated that they dispose of about 35,000,000 tons of bituminous each year, thereby reducing the market for the orthodox output by one-tenth. Nobody seems to be making any serious effort to check these "rugged individualists" for the good reason that popular and official sentiment would not tolerate any such interference. Everybody seems to love a "moonshiner", whether he deals in coal or corn liquor.

As an industry, coal is sick, but it is not dying. It will remain a factor in the American economic scheme indefinitely.

It is true that the Roosevelt Administration is sponsoring the construction of several new large hydroelectric power plants which will, to some extent at least, lessen the industrial demand for coal; coal must compete with the increasingly-popular Diesel engine, and with low-priced coke. But coal still furnishes more than half of the nation's heat and energy; there are limits to the practicable expansion of the use of electricity as a substitute for coal; most geologists agree that the remaining underground supplies of gas and oil will be depleted long before the end of the century; and efficiency in the utilization of coal is increasing steadily. There is great need for conservation of our coal resources, of the industry as a component unit of the economic system, and of its workers.

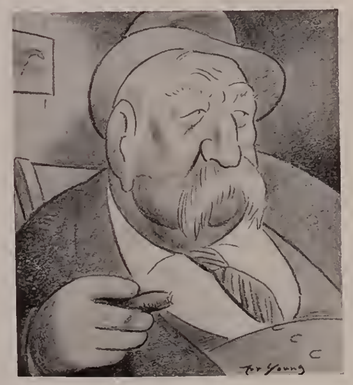
The miners are demanding further benefits—the thirty-hour week or an additional wage increase. The public is demanding a lower retail coal price—even if the price goes no higher, electrical and oil-burning equipment will continue to replace thousands of coal furnaces each year, at least for some time to come.

The operators—a majority of them—are, in their own way, demanding government protection. Although many of them are both obstinate and greedy, they are in a pitiable position; they are between two fires, the unionized miners and the dwindling demand for coal. They are aided in some ways, and at the same time menaced in others, by technological progress.

As might be expected, the operators want to retain most of their traditional prerogatives of individuality, but they are uncomfortably aware that, if the government loosed its leash on them, the resulting chaos within the industry probably could end only in outright purchase or seizure by the government. For the most part, they refuse to recognize the possibility of complete government control, but they haven't stuck their heads into the sand so deep that they can't see that they must continue to cooperate, even if only to a limited degree. And the NRA is the only medium which has brought about anything approximating co-operation in their industry.

The Blue Eagle is in the coal mine for a long, long stay.

Art Young's Album



The Old Horseman

WHEN the public first began to use automobiles, Bill Stayley, the old horseman, proprietor of the town's one livery stable, said it was "just one of them fads".

In spite of the subsequent developments, he still operates his livery stable, which was built in 1893 and is now almost a ruin. His only condescension to progress is renting part of it for automobile storage.

Besides the two horses that he occasionally drives himself, he hires out four others for FERA roadwork, which proves, to his satisfaction, that "even the gov'ment, when it needs good work, has to depend on the hoss".

NEXT WEEK—SECOND INSTALLMENT

Hitlerism Marches in America TODAY

A Plague on All Your Houses

BY SAMUEL FRANT, M.D.

THE last worm on earth has turned. In *Rats, Lice and History* (Little-Brown, Boston. $2.75), Hans Zinsser, a real scientist, presents his unbiased view of the things that are ballyhooed and the heroes the world holds dear. He has, however, not done this in a dull, pedantic way, but has interwoven his observations with the story of a remarkable hero (or villain).

The author, professor of bacteriology at Harvard, and a lifetime student of epidemic diseases, tells here of typhus fever, the disease which has, time and again, changed the course of history and pushed aside the planned economics and campaigns of statesmen and generals.

He tells his story in a style so scientifically accurate that none of his colleagues can dispute the facts, and yet so biting that all of them can understand just how he feels.

Was this what our professor was thinking of so many years ago, when we sat meekly in our lecture hall and listened to him tell how the body makes antitoxins against disease, a story told far more interestingly here? Was he laughing at us then?—at the raw medical students we were, just as he now laughs at the human race, so like his rats—it wouldn't surprise him if the rats grew up some day and became exactly like civilized men—and there were "French rats eating German ones, or Nazi rats attacking Communist or Jewish rats?"

SWING GALLOWAY

The work of scientists in halting typhus fever, "which, time and again, changed the course of history and pushed aside the economics and campaigns of statesmen and generals", is told in *Rats, Lice and History*.

Death by Epidemic

We are given, in this book, a detailed straightforward account of a major epidemic disease: How and where it begins, how it is spread and how it devastates and kills; a clear account by a skilled man, giving definite information as to just where the disease rests between epidemics and how it rages through a whole race the instant conditions are at all favorable.

Yet the particular information concerning typhus fever imparted here is really of minor value. The truly remarkable parts of the book, and the parts which should not be skipped—although the author says they are comparatively unimportant—are just those in which Dr. Zinsser digresses from his principal theme and becomes involved in controversial subjects. Whether or not you read his discussion of typhus itself, you must read what he thinks of everything else under the sun.

For example, to him, "flying is adventurous enough, but little more than a kind of acrobatics for garage mechanics"; and Gertrude Stein and her followers are probably writing the way they do for the same reason that "people write to the newspapers", "lend their names to cigaret advertisements", or "say in print that they 'suffered from fits' until they had taken one bottle of Neuropop".

Read too, no matter if you have to skip all the scientific information presented by the author, the passage about the irresponsible Rousseauistic louse "roaming on the land of plenty", under whose "feet is an inexhaustible supply of the food he prefers, where he has but to sink his hollow stylet . . . to procure his two or three daily meals". Room for thought, there.

Man and the Rat

Especially fascinating is what Dr. Zinsser has to say about rats. Not only is the story of the conquest of the black by the brown rat, and of its migration all over the world, a beautiful scientific study, but the three pages of comparison between man and the rat (to the disparagement of man) are probably as bitterly true as anything that has ever been written. "Man and the rat are . . . the most successful animals of prey . . . neither of them is of the slightest earthly use to any other species of living things . . . In both species, the battle has been pitilessly to the strong. And the strong have been pitiless. The physically weak have been driven before the strong—annihilated, or constrained to the slavery of doing without the bounties which were provided for all equally. Isolated colonies of black rats survive, as weaker nations survive until the stronger ones desire the little they still possess."

The Last Rugged Individualist

IN less than a half a century, *Fifty Years a Surgeon* (Dutton, New York. $3.50), by Robert T. Morris, M.D., will be regarded as a truly historic document. In three hundred and fifty-odd pages, a famous New York surgeon has told the story of the only remaining real representative of individualism. *Fifty Years a Surgeon* will, in another fifty years, be a unique document, primarily of historic interest—to students in a new dispensation.

Without daring to intrude a physician's views into surgeons' controversies on surgical procedure, it still seems to me that Dr. Morris could have written a much better book.

Decided views on the uselessness of Freud and the new school of psychiatric treatment, and rather fossilized ideas concerning fee-splitting and "closed" hospitals, add nothing to the world's store of knowledge.

The chapter devoted to the surgeon's fee is perhaps the most interesting of all; some of the dodges used by both Dr. Morris and his patients might well be remembered and, perhaps, usefully employed by others.

The last twenty-five pages, a nature study of the primitive on the outskirts of New York City, and a description of the beauties of a quiet life of fishing, hunting and of enjoying the pleasures of the remaining wild life thereabouts, seemed to be the only worthwhile part of the book, but perhaps that is because the reviewer has the physician's age-long scorn of the mere technical skill of the surgeon.

The Books of the Week

BY SCHUYLER C. WALLACE
LITERARY EDITOR

***The Study of International Relations in the United States*, by Edith E. Ware. Columbia University Press, New York. $3.50.**
A guidebook to the agencies engaged in the study of international relations in the United States.

***Barrie Scott, M.D.*, by Rhoda Truax. Dutton, New York. $2.50.**
An intriguing story of a young physician just starting the practice of medicine in a charming old New England town.

***Potters in Plunder*, by J. B. Matthews and R. E. Shallcross. Covici Friede, New York. $2.50.**
A weird mixture of fact and exaggeration, badly organized and poorly written.

***John Lillibud*, by F. C. Hurrell. Kendall and Sharp, New York. $2.50.**
Aspiring to be both a "man of affairs" and a creative artist, John Lillibud ends his career in total disaster. A variation of the Jekyll and Hyde formula, badly executed.

***Sing Sing Doctor*, by Amos O. Squire. Doubleday Doran, New York. $2.50.**
The memoirs of twenty-five years as chief physician in Sing Sing, graphically presented.

***Doctor Moon*, by Catherine Meadows. Putnam, New York. $2.50.**
An attempt to fill in the background of a rather famous murder case, which might better have been allowed to remain in the limbo.

***The Hillbilly*, by Rolls Walter Brown. Coward-McCann, New York. $2.50.**
A not-very-significant story of a hill billy who goes to Harvard and becomes interested in city planning. Despite seemingly insurmountable difficulties, success finally crowns his efforts.

***The Primrose Path*, by Ogden Nash. Simon and Schuster, New York. $2.50.**

Ogden Nash's verse
Is getting worse and worse.

We Suggest

***Personal History*, by Vincent Sheean. Doubleday Doran, New York. $3.**
So effectively has the author woven together the three strands of his story—his personal adventures, his commentary on them, and an introspective analysis of his own intellectual dilemma—that *Personal History* takes its place as one of the great biographies of recent years.

March 16, 1935 Price 10 Cents

TODAY

Raymond Moley, *Editor* ⋆ Vincent Astor, *Publisher*

The Second Installment of

HITLERISM Marches in America

BY GEORGE SELDES

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Suckers Beware

BY RAY TUCKER

EDITORIAL COMMENT BY

Raymond Moley

AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS

Today's Mail

SIR: It is unthinkable that un-American actions like those of Governor Talmadge of Georgia, as described in *Riding High*, should go unchallenged. According to your article, the government has a whip hand in the form of Federal relief, but Mr. Angly gives no indication that the power thus given to the national government is being used to prevent interference with rights guaranteed under NRA. If low wages, such as fifteen cents an hour, are to be encouraged by Federal action or inaction, we will never get our unemployed back to work. If concentration camps are to be the answer to labor's protest of unfair pay and hours, how can we hope that democracy can hold its own against communism?

By what right do the people of other states pay higher taxes so that some states need not care for their own unemployed, at least to an equal degree? Is it true, as it is beginning to appear, that the Federal government cannot insist that the Talmadges carry their share of the national relief burden, and guarantee to the people of those states the inalienable rights of American citizens?

IDA GRACE GILBERT

Toledo, Ohio

No Hurrahs

SIR: Sherwood Anderson would have us believe that the farmer in the Middle-West, having forgotten some of his troubles, gets up and dances a jig while his wife pats him on the back, and gives a "Hurrah" for the New Deal.

But is that true? There still are foreclosures, unemployment and government relief. And the farmer does not want relief in the form of payment for pigs he did not raise or corn he did not grow. What he wants is relief from unjust taxation and refinancing charges.

ROBERT ANDERSON

Butternut, Wisconsin

Unrepresented

SIR: The article on *Doctors and Dollars*, by Ernest K. Lindley in TODAY, was timely. The daily papers recently published the action of the delegates of the American Medical Association in opposing the Administration's health insurance program.

As a member of the A. M. A., I wish to protest against this body of one hundred and seventy-five members claiming to represent me or my ideas. And they certainly do not represent the ideas of the majority of my colleagues. Neither I nor any member of my society known to me has been asked for his ideas regarding health insurance. I canvassed a number of my friends at a medical meeting last evening. None of them even knew there was to be a special meeting of the delegates.

If I gave my name, it is barely possible that I might offend one of my seniors or the A. M. A., and lose a staff appointment in an important hospital. Original thinking, the care of the health of the public, and true representation of medical opinion are not sponsored by the A. M. A.

A READER

Support for Clarkey

SIR: I suppose you published William Clarkey's letter about the window-breaking campaign as a joke. But his plan is no more a joke than some of the anti-depression proposals which are being discussed seriously or are actually being tried out.

The corn-hog plan, the crop reduction programs, and the NRA restriction of hours are basically endeavors to control supply. And the window-smashing crusade might be termed a plan to increase demand.

What the government is doing in other lines is being done in the name of "emergency" and breaking street car windows would be in the same category.

T. J. JOHNSTONE

New York City

Mortgaged Grandchildren

SIR: This man who was writing you about breaking street car windows being the way for us to recover quick, he was considerably wrong.

There's lots of notions like that being talked around, and some at Washington, and also out in California, but I can't take much stock in them. They just don't stand to reason. Maybe we can spend ourselves rich and maybe we can't, and maybe even if we got around to thinking we had done it, it wouldn't last.

But the depression is a big problem, so we might as well expect things like that to be thought up. When a big crowd gets together, such as Congress, nothing that is suggested looks so very big until it gets to be more than just an idea. Then they have to think up a bigger one.

There's plenty of smart men in office, and even if they have to think up a fancy big plan to make us recover, I wish they wouldn't put a mortgage on our grandchildren.

B. Z. MOSS

Conway, Arkansas

IN THIS ISSUE

NEXT WEEK

MILTON S. MAYER returns from Germany to write a series of three articles, *On the Nazi Rack*, describing the persecution of racial minorities in the Reich, and evaluating the possible solutions of the problem. The cotton textile industry, which perked up considerably when it became the first to adopt an NRA code, has had a relapse, Edward Angly finds. He tells what caused the relapse, and what it is expected, will be done about it. Gilbert Seldes contributes the third of his articles on the changing amusement field. It is even better than the first two.

WILLIAM SHARP

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PHOTOGRAPH BY CLARA E. SIFFRELL

"Thousands . . . Overanxious for Security"

Thousands of aged thrifty Americans are being victimized and defrauded each year. The swindlers seek out old persons who may have saved a few hundred dollars, perhaps a few thousand, from the 1929 wreckage and the early depression years, and who are overanxious to recoup their losses and thus gain a measure of security for themselves. (See article on opposite page.)

TODAY

RAYMOND MOLEY, EDITOR — AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS — MARCH 16, 1935

Suckers Beware

BY RAY TUCKER

Despite the stock market crash of only five and a half years ago, despite many unfortunate experiences and sound warnings, the American public continues to give millions of dollars to swindlers each year. So Chairman Kennedy of the new Securities and Exchange Commission is planning a campaign to trap the crooks and to educate the investor—especially the "little fellow", the one who is most likely to invest his lifetime savings in some scheme which promises to make him rich overnight without any effort

THE Securities and Exchange Commission's records of current fraudulent stock sales reveal that Credulity Common has reached new highs in the United States. Although the stock market crash should have warned investors that even the most heavily gilt-edged securities could become valueless between the opening and the closing of the exchange, they are more susceptible to offers of fake and flimsy stocks than ever before. Instead of teaching the sufferers and survivors to guard their savings, the depression apparently has tempted them to invest in every wildcat and get-rich-quick scheme that adroit salesmen bring or mail to their door.

Although it is impossible to estimate the sums being invested in shyster stocks, they undoubtedly amount to hundreds of millions of dollars annually. So extensive and so successful have the operations of fly-by-night promoters become that Chairman Joseph P. Kennedy of the Securities Commission has planned a special intensive campaign against this particularly vicious form of thievery. Not only because such depredations weigh heaviest upon those least able to endure them, but because they divert into crooked channels the funds which are needed for financing legitimate business and industry, this diversion of capital constitutes a serious threat to both national and local programs for improving economic conditions. In 1934, more money was invested in fraudulent stocks in the city of Chicago alone than in legitimate issues in the Federal Reserve District for which Chicago is the headquarters. Since this proportion holds for almost all sections of the country, it means that vast funds which are urgently needed for recovery are going to waste. Nor does this estimate include the billions represented in worthless stocks which seek clearance annually but which are blocked because of the vigilance of local and Federal officials. Questionable securities which sought a market in Chicago alone in 1934 totalled $50,000,000, or one-fourth the cost of the famous fire which is still considered the worst catastrophe in the city's history.

"It is almost impossible to measure the magnitude of the task of preventing these operations," Mr. Kennedy told TODAY. "The crafty security salesman operates with marked success throughout the land. He favors no territory; he ignores no class of investors. State laws, however efficiently administered, cannot stop him entirely because the states lack jurisdiction over transactions which are interstate in character. We have in our files many instances in which fraudulent promoters have

Mr. Kennedy (below) points out that vast sums needed for sound investments are now going to the promoters of fake stock schemes and fraudulent investment companies.

PHOTOGRAPH FOR TODAY BY GEORGE LOHR

been driven out by good state commissions, only to have the crooks move across the state boundary and carry on their swindles with the state authorities powerless to interfere."

Likewise, these lawbreakers have more or less successfully defied the Federal efforts to dislodge them through legal action. By keeping on the move, they can laugh at Federal injunctions, which harass but do not deter them. They hide behind constitutional provisions which prevent examination of their books to determine whether they are operating legitimate brokerage houses or bucket shops. They engage shrewd lawyers to advise them, and they stay within the verbiage and punctuation of the law, even though their schemes are palpably illegal. They shift from place to place and from stock to stock, exhibiting an amazing originality for capitalizing on the public's interest in all projects—whether practical or visionary—which seem to offer opportunities to make quick and easy money; you can follow their trail by newspaper headlines.

They have perfected a technique for collecting and trading in "sucker lists", until they know almost every one whose possession of idle funds or listed stocks or mortgages or life insurance policies marks him as game for predatory poaching. The depression has sharpened their wits and, at the same time, it has provided a hungry and credulous market for their offerings.

Moreover, almost every economic trend since the World War has broadened the field of their swindling operations. The government's offerings of Liberty Bonds acquainted the average citizen with the mechanics of purchasing this form of securities. The boom induced him to speculate in stocks and dissipated the feeling of awe with which he once viewed such transactions. The crash drove him away from the ticker temporarily, but in no breast does Spring blossom so magically as in the investors'.

Another factor which plays into the hands of promoters is the practice by which sound corporations offer their issues directly to banks and life insurance institutions. These private offerings tend to drive the "little fellows" to a limited and inferior field of investment, and to expose them to the charlatans. In short, the fly-by-nighters now occupy the territory which was once staked out by the better distributing houses and their affiliates throughout the nation.

In view of these circumstances, Mr. Kennedy believes that the most important phase of his commission's proposed drive will be an educational campaign. His principal hope is to warn the public of the dangers which lurk in the purchase of stocks peddled by mail or in door-to-door campaigns. With legitimate securities and banks paying a comparatively small rate of interest, the commission will emphasize that all promises of fabulous returns deserve close scrutiny. It will set forth a few simple rules by which the investor can assay the worth of any stock offered to him. By the use of every medium of publicity—newspapers, magazines, the radio, and even motion pictures—the commission will urge all prospective purchasers to do one thing before they buy—investigate. It will inform the public about the various types of stocks, the mechanics of salesmanship and the devices for evading the law which crooked promoters employ.

Mr. Kennedy and his commission will seek to impress upon the public that a few days of preliminary investigation may save years of regret. The commission's files are filled with pitiful letters from victims who have lost their homes, their life insurance policies and their savings because they listened not wisely, but too well, to stock salesmen. Mr. Kennedy's advice to persons so tempted is to say "No" immediately, if they can muster sufficient negative energy. If not, they should refuse to part with their money or listed securities until they have consulted agencies established for their protection—the Better Business Bureau of their city, their state securities commission or Mr. Kennedy's commission. They should check all the roseate promises in the salesman's pretty prospectus against the statements which must be filed with the Federal or state commission —although the prospective investor will find, in most instances, that the promoters have failed to observe these legal amenities.

In short, human gullibility and human scoundrels being what they are, the cardinal function of Mr. Kennedy's campaign must necessarily be to warn prospective purchasers against themselves, while the government at the same time tries to trap the crooks.

The commission's complaint bureau and staff of investigators have neither the facilities nor the personnel for their work at the present time. But they have established a system of cooperation with local and state agencies which is closing loopholes. In the immediate future, the commission plans to set up regional offices at New York, Boston, Chicago, Atlanta, Fort Worth, Denver and San Francisco. This will enable investigators to reach the scene of swindles more quickly, and make their facilities for check-ups more accessible to complainants.

The commission's complaint docket testifies to the credulity of investors, as well as to the ingenuity of the promoters. There was, for instance, the salesman of stock in a sewer equipment company that was "sure to soar" from prospective profits on a government contract—so sure that the salesman guaranteed it by underwriting the purchase.

"Madam," he smiled, "to show you what I think of this stock, I am giving you my own pre-dated check. If you don't receive the dividend I promise you, you cash the check. You can't lose."

But she did lose, and the commission undertook an investigation of her complaint. Meanwhile, the salesman came around again and apologized for his delinquencies. It seems that an excess of government red tape had tied up both his own funds and those of the sewage contract. As proof that there was no reason for being uneasy, he tendered her another pre-dated check. Not until dividend and check again prove illusory did she submit a final, formal complaint. In fact, after the swindler's second appearance, the victim begged the commission not to harass such a Prince Charming.

In a great Eastern city there was a good example of a more elaborate system of operation, according to an indictment recently returned. From a pretentious office on the fringe of the financial district, a group of seemingly substantial brokers disseminated information on all classes of listed securities. At first they played no favorites, and their fine, impartial judgment attracted a large clientele.

Slowly, however, they began to specialize in motor stocks, though for a long while they stuck to well known, listed securities. It was many months before their circulars began to suggest that a certain obscure motor stock was worth watching. It had possibilities, they said, because the company had brought an air-tight patent suit against a leading automobile corporation, and had obtained government contracts for installing motors at Boulder Dam. Both statements were easily verifiable, but who could doubt such a respected firm? The commission did, and now it alleges that the motor company's only asset consists of an abandoned factory situated many miles from nowhere.

(Continued on Page 21)

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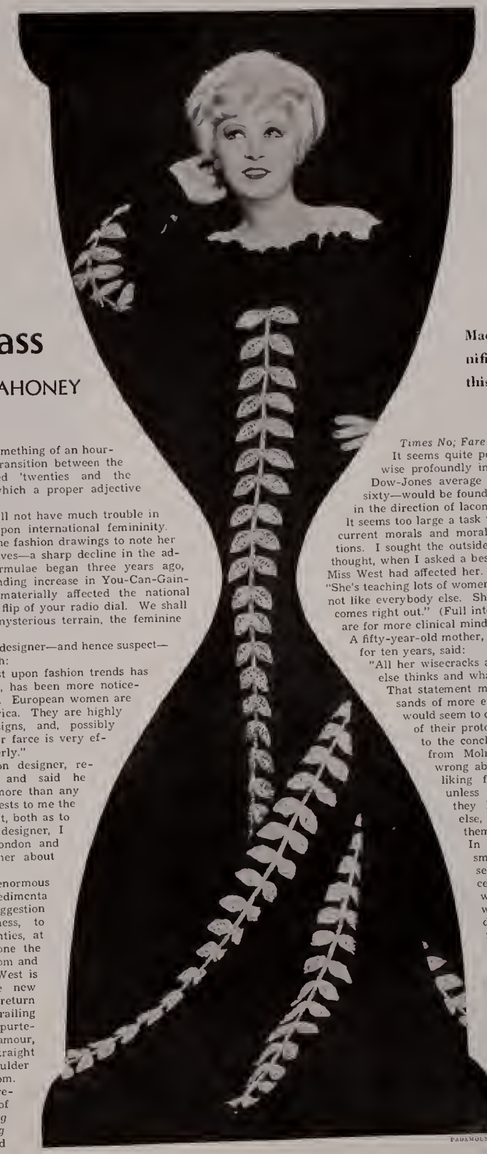
MILLIONS of dollars' worth of sound securities are cleared through the stock exchanges each year, but additional millions of dollars are invested in unlisted worthless stocks, the SEC investigators report. The new commission, set up to regulate such offerings to the public, is soon to establish branch offices throughout the nation so that prospective investors may learn the true value of stocks before they buy. The depression has served to sharpen the swindlers' wits and, at the same time, it has broadened their field of operations . . . incomes from regular sources have dwindled, and many persons with savings are seeking investments which will afford them security against unemployment, against old age.



PARAMOUNT

Hourglass

BY MICHAEL MAHONEY

Mae West, admittedly, is significant—but what is she like, this anathema of the censors?

MAE WEST stands as something of an hourglass symbol of the transition between the twittering, flat-hipped 'twenties and the free-and-easy 'thirties, for which a proper adjective has yet to be coined.

Historians of this decade will not have much trouble in tracing the West influence upon international femininity. They will need only to scan the fashion drawings to note her effect upon styles. As to curves—a sharp decline in the advertisements of reducing formulae began three years ago, coincidental with a corresponding increase in You-Can-Gain-Weight displays. She has materially affected the national diction, as can be heard by a flip of your radio dial. We shall go later into that dim and mysterious terrain, the feminine psyche.

Travis Banton, movie dress designer—and hence suspect—says, with some show of truth:

"The influence of Mae West upon fashion trends has been tremendous; and, oddly, has been more noticeable in Europe than America. European women are less grim than those of America. They are highly amused by Mae West designs, and, possibly sensing that a touch of clever farce is very effective, seize upon them eagerly."

Vietor Stiebel, the London designer, recently visited Hollywood, and said he wanted to meet Miss West more than any other star, "because she suggests to me the amusing mode of the moment, both as to dress and manners. As a designer, I shouldn't dare return to London and admit I hadn't talked to her about clothes."

One need only realize the enormous increase in the sale of impedimenta designed to further the suggestion of well-favored womanliness, to perceive that the flat 'twenties, at least for the time, have gone the way of the stock market boom and prohibition, and that Miss West is the high priestess of the new order. Consider, too, the return of sequins, V-necked and trailing velvet gowns, and other appurtenances of late Victorian glamour, as compared with the straight sheaths and narrow shoulder straps of the Coolidge boom. And all to the strain of the revived gay, foolish tunes of the 1890's — *The Daring Young Man on the Flying Trapeze; No, No, a Thousand Times No; Fare Thee Well*, and others of the sort.

It seems quite possible that Mae West has otherwise profoundly influenced femininity. Certainly a Dow-Jones average of feminine speech—from six to sixty—would be found to have been shunted a long way in the direction of laconic realism.

It seems too large a task to estimate her influence upon our current morals and morale. However, one can ask questions. I sought the outside rim of her sphere of influence, I thought, when I asked a bespectacled, shy little domestic how Miss West had affected her. She replied:

"She's teaching lots of women to look out for themselves. She's not like everybody else. She don't beat around the bush; she comes right out." (Full interlinear notations of the foregoing are for more clinical minds.)

A fifty-year-old mother, an upright, quiet woman, a widow for ten years, said:

"All her wisecracks are true; she says what everybody else thinks and what nobody else says."

That statement manifestly does not apply to thousands of more enlightened sisters of this pair, but would seem to coincide with the view of thousands of their prototypes. It would apparently point to the conclusion that feminine psychologists, from Molnar to Freud, might have been wrong about woman's natural aptitude and liking for dissemblement and obliquity, unless it raises the tangled concept that they like straight talk from someone else, but seldom reach that standard themselves.

In her own field, Miss West is the smartest showwoman alive. If that seems exaggerated, consider her success at the boxoffice—as compared with that of any other woman working with benefit of playwrights, dialog writers, scenarists and directors. And Mae West writes her own.

She knows the cerebrations of her composite public, and has a micrometrical knowledge of what it will like and what it won't stand for. She found out some years ago that there were more people who liked a dash of carnality, especially if faintly satirized, than not; that "the objectors are just more outspoken". She learned that the great mass of people would rather laugh at sex than either to shudder

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Hitlerism Marches in America

BY GEORGE SELDES

Traditional American liberties are now threatened on two fronts. Both the Fascists and Nazis are pushing their propaganda campaigns, and a new law is proposed which would negate our ideas of freedom, this article, last of a series, shows

THE price of liberty is eternal vigilance. Eternal vigilance commands us to watch for subversive activities of vicious elements, foreign or native, but it does not require the formation of private forces which would employ violence to destroy all other elements that disagree as to the quality and extent of true liberty.

Although the McCormack-Dickstein Committee concludes its task in the belief that the enemies of freedom have been dispersed, the same sort of propaganda campaigns which that body exposed are continuing throughout America. And, on the other hand, so-called super-patriotic organizations continue to use force and terrorism to gain their own ends.

In addition to the Nazi activities described in last week's issue, TODAY has obtained evidence of still more malevolent activities in many parts of the United States.

Among the intransigent propaganda leaflets now being distributed in the East are several published by the American National Socialist League, schismatic branch of the Friends of the New Germany. These propaganda sheets contain the usual anti-Semitic statements now common in Germany.

One circular (which is marked "Reprinted from *The Fascist* of London, England", but is believed to be distributed by Nazis) goes beyond almost anything ever published in Nazi Germany itself.

This circular, printed and distributed in several states during the trial of Bruno Richard Hauptmann for the kidnaping and murder of the Lindbergh baby, would have Americans believe that the Jews murdered the child as part of a ritual. The kidnapping occurred in the month of March, and there is a Jewish holiday in March; ergo, the Jews kidnaped the child and killed it. Thus reasons the Nazi mentality.

The effort to establish Hauptmann as a Nazi martyr is still being continued. Although there is no evidence that Hauptmann belongs to the Stahlhelm or any Hitlerite organization, he has had the sympathy of these groups in America. Whereas in Germany the press has, for the most part, refrained from making political capital out of the case, letting justice take its course, in Nazi circles in America a propaganda campaign has been in progress for months. Because the New Jersey prosecutor in charge of the case was a Jew, the Nazi propagandists have not hesitated to term Hauptmann an innocent man, the victim of a Jewish plot. Money has been raised by campaigns of this sort.

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The viciousness of such propaganda is further illustrated in the current efforts of Nazi leaders ostensibly to connect Father Coughlin and President Roosevelt with their cause. "Fuehrer" William H. Roth, addressing a meeting of the Friends in New Jersey, did not hesitate to state—although he asked his audience not to quote him—that he had been told by the national Nazi officers in New York that they were "in closest touch with Father Coughlin" and had decided to join his League for Social Justice in a body.

The object of this false propaganda, of course, has been to obtain sympathy from the Catholics, who have been among the leaders everywhere in fighting Hitlerism.

The propaganda concerning the President is being spread by Carl Nicolai, second in command in New York, and head of the Bay Ridge, Brooklyn, local of the Friends. According to Herr Nicolai, he sent a letter to President Roosevelt inviting him to participate in a celebration of the Saar victory. The President replied, Nicolai tells audiences, in a letter which expressed regret that he could not accept the invitation because of a previous engagement.

PHOTOGRAPH BY JACK PRO-A FOR TODAY

GLOBE

John W. McCormack of Massachusetts, right, and Samuel Dickstein of New York, at the left, were the two Representatives who headed the committee which investigated the un-American activities of various organizations throughout the nation. Upper photo, Mussolini, Italy's militant dictator.

At right, a Nazi propaganda circular intimating that a group of Jews, and not Hauptmann (shown below with an attorney), was responsible for the Lindbergh kidnap-slaying. At lower right is Art Smith and a group of his Khaki Shirts, which organization was disbanded after a killing during a riot.

That might easily be true. But in open meetings Herr Nicolai declares that the President also invited him to the White House for a conference "at some future date", and, from this, he deduces that President Roosevelt assured him of the "fullest sympathy". He further declares that the President's letter "strongly implied friendly recognition of the Friends of the New Germany". Therefore, Herr Nicolai urges his audiences, "go ahead with our propaganda".

At one meeting, Nicolai boasted that he was arrested in Pittsburgh in 1918 as a German spy, that he was in jail six months, that he refused to take out American citizenship in 1915 "because the damned Americans did not recognize our German rights", that throughout the war he served the cause of Germany; and that he was "proud that, in the capacity as an officer of the German-American Conference and the United German Societies, he had delivered these organizations to the Friends of the New Germany".

"Our principal goal," he said, "is to make America an ally of Germany. Let us not be disturbed by some of these Americans [referring to the German societies which have refused to join the Nazis]—we are going to fight for the German cause. The German flag protects the Star Spangled Banner."

The Nazi propaganda agents' allegation that the orthodox German societies have joined their movement is sheer nonsense. The Con-

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gressional investigating committee reported the very opposite to be the truth, and complimented "the twenty-odd million Americans of German birth or descent who have refused to participate in the Nazi movement and propaganda in this country".

The Nazi mentality, however, lives on such delusions. The present boast of American support is on a par with the German military staff's belief that these same twenty millions would prevent the United States entering the war. That delusion seemed to be ended forever when the Thirty-second Division, composed largely of the sons of German parents in the Middle-West, captured Soissons in July, 1918, and completed the decisive battle which the Americans initiated in Villers Cotterets woods. (My authority: The late Field Marshal von Hindenburg.)

A recent nationwide survey, made for TODAY, showed that most of the existing beshirted orders in this country appear to be fading in strength and importance. For instance, the Milwaukee branch of the pro-Nazi Friends encountered spirited resistance only last month when an effort was made to unite with the Federation of German Societies, central unit of the seventy German-American clubs in that city. The effort ended in dismal failure. In Winnipeg the Nazis' cause has been weakened by a court injunction against *The Nationalist*, their official organ in that city, after they had republished ancient "blood ritual" charges against the Jews. The Silver Shirts, as recounted last week, have been disrupted.

The bloodstained Khaki Shirt organization collapsed even before the Congressional investigation; the Khaki Shirts were anti-Jewish, and opposed the gold standard and the chain stores, among other things. The organizer and chief, Art Smith, has been sent to prison on a charge of perjury in a murder trial which resulted from a slaying during a riot between anti-Fascists and Smith's group, composed largely of war veterans.

The first "shirt" organization in this country was the Italian Black Shirts, inspired by Mussolini's success, but that movement faded early. Another Black Shirt group, the American Fascisti, is still extant, however, maintains its home office in Atlanta and claims 30,000 members. The Blue Shirt corps, with headquarters in Montreal, has several hundred members in the Middle-West.

The National Blue Shirt Minute Men, allegedly an organization of some 10,000 members in Brooklyn and vicinity, is anti-Nazi. The American Blue Corps—the third militant organization with blue as its color—recently gained publicity by distributing propaganda circulars to steel workers at Youngstown, Ohio.

The White Shirts, or Crusaders for Economic Liberty, number 40,000, but have claimed 200,000; this organization maintains offices at Chattanooga but has members throughout Idaho, Washington and Oregon. Its members propose to organize a march on the capitol, to seize the government and to repudiate the public debt. The Order of '76 is one of the most secretive groups in the country. It is super-patriotic in nature.

The Ku Klux Klan is still active in only a few sections, in the South and West; it recently adopted the Bolsheviki as its principal objects of hatred, rather ignoring the Negroes, Catholics and Jews, formerly the most hated groups. An order known as the Nationalists has been formed along lines similar to those of the Klan, but has not been very successful.

There are more than a hundred organizations of the Nazi type in America at the present time, according to a recent survey made by labor organizations; and there are many similar units which as yet are in the embryo stage, offering membership cards for sale, and many golden promises. None of these, however, shows strength enough to be considered a threat to the existing order, but several have potentialities if they can gain the right sort of sponsorship. With the Nazis in public disfavor at the moment, some sort of an organization patterned along the lines of the Italian Fascist movement appears to have the best prospects.

In February, 1930, the organization of the Grand Federation of the Lictor was announced by Domenico Trombetta, who had been director

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The Lindbergh Baby Affair

Jewish Ritual Murder

LE MIROIR (Montreal) in its issue of 3rd of July, 1932, says:— "The presence of numerous Jews, like Spitale and Bitz, etc., around Lindbergh after the kidnapping of his child last March, as well as certain particular aspects of the murder, have given rise to the suspicion in certain European papers, that the child was the victim of Jewish ritual murder."

The child was kidnapped on 1st March; the body was found on 12th May 72 days later, with fractures of the skull, and the reports published in the "New York Times" of 13.5.32 said that it was estimated that death must have taken place at least 2 months before the discovery of the body.

WIDE WORLD

Our Prodigal Cities

BY FREDERICK L. BIRD

ILLUSTRATED BY CARL ROSE

Our 167,000 local governmental units owe more than fifteen billion dollars, and reorganization appears to be a necessity

Five of the depression's whelps, shown above, are to be found (figuratively) at the door of almost every city hall and county courthouse throughout the land. They are growing rapidly and aren't the sort to be frightened away by brave talk.

MOST American municipalities closed 1934 several jumps farther ahead of the sheriff than they were at the end of the previous year. In 1934, they collected more taxes, with the timely aid of the Home Owners Loan Corporation; they received more cooperation from the Federal and state governments in financing unemployment relief; they benefited from the releasing of impounded bank deposits and the easing of credit; and many of them were able to get a tighter grip on the management of their fiscal affairs.

There is no more dependable barometer of the trend of municipal financial operations than the rise and fall of tax delinquency. The 1930 tax levies of cities of over 50,000 population were 12.9 per cent delinquent, on the average, at the close of the fiscal year. There was a startling rise in delinquency over the next three years, with the average standing at 26.3 per cent at the close of 1933. But 1934 saw a hopeful beginning of improvement as the delinquency level fell to 23.8 per cent.

All over the country, moreover, past-due taxes came in even more encouragingly. In New York City, the combined receipts from current and back taxes exceeded the current levy for the first time in a decade, and in scores of other cities and in many counties, a similar thawing of assets reflected itself in the balancing of budgets.

As the complete results of 1934 operations, city by city, become available for study, there is much that is reassuring. Municipalities which have kept their finances fairly stable under straitened circumstances are enjoying the novelty of cash surpluses. Particularly noteworthy improvements have occurred in some outstandingly troubled areas as a result of intelligent diagnoses of difficulties and vigorous applications of effective remedies. The financial rehabilitation of New York City under the Fusion regime, the courageous financial planning which has placed a score of tottering New Jersey municipalities on their feet again, and the forthright revision of West Virginia's system of administration and taxation to save its cities from collapse are among the more pertinent examples of what has been, and can be, accomplished.

Flood of Defaults Recedes

Nor is it without favorable significance that the flood of municipal debt defaults has begun to recede.

The State of Arkansas and the City of Detroit, the nation's two largest defaulting governmental units, reached agreements with their creditors whereby they were given more time to meet their full obligations, and at least a dozen of the thirty-six other defaulting cities of more than 30,000 population have cleared up their arrears or made arrangements for refunding.

But to say that our municipalities in general are headed safely out of their financial entanglements, would be to ignore a number of troublesome facts.

Municipal budgets, in the first place, are beginning to turn upward again. Most of the more readily feasible economies in local government have already been effected. Many of these, moreover, have been of a makeshift and temporary character, such as the cutting of wages below reasonable minimum standards, excessive curtailment of essential services, and deferment of maintenance which will entail increased future expenditure. Such opportunities as remain for the lowering of costs lie mainly in the consolidation of needlessly duplicated governmental units and the development of scientific management—opportunities which will be slow of realization not only because of the resistance of political traditions, but because of constitutional and legal barriers. Costs, in the meantime, are moving to higher levels, because of increases in the prices of commodities, because of pressure for the restoration of normal salary and wage scales, the need for taking up the slack in deferred maintenance, and the requirement of more orderly provision for the financing of the welfare and relief activities.

Municipal budgets are beginning to show increases again. Costs are moving to higher levels, because of the upward movement of prices, because of the gradual restoration of wage scales.

Municipal debt is still at its all-time high—more than $15,000,000,000, which peak was attained three years ago, having been increased by 100 per cent in one decade of "prosperity".

It is in welfare costs, particularly, that the inevitability of higher taxes lies. We can no longer delude ourselves with the notion that unemployment relief is purely an emergency matter, to be met by temporary financial expedients: we must face the disconcerting fact that unemployment on a large scale is likely to be with us for a long time to come. The Federal government is making it clear, moreover, that it expects a greater share of this unavoidable responsibility to be borne locally. Borrowing for unemployment relief has served a most useful emergency purpose, but no municipality can continue to borrow on a large scale, year after year, for current expense requirements, and long continue solvent.

The Threat of Quack Remedies

An epidemic of quack remedies, secondly, is threatening to throw our convalescing municipalities into a disastrous relapse. The most popular of these patent nostrums is the arbitrary reduction of general property taxes by constitutional amendment, a scheme which has been tried before with embarrassing consequences. The promoters of the plan are undoubtedly well-intentioned, and no one will deny the desirability of shifting some of the tax load from real estate. But when a municipality's chief means of support is withdrawn, without the provision of an adequate alternative, only chaos can result. Either local government functions collapse or borrowing increases to pay the deficits in current operating expenses.

The tax rate limitation idea is sufficiently specious to delude a great many people, but its bungling application can become a menace to the rehabilitation of our local governments. It is somewhat ironical, also, that the real estate promoters, who were responsible in a large way for our present municipal financial ills, should be the leading instigators of this new threat to community security.

The State of Ohio is furnishing a convenient laboratory for observation of the application of blunderbuss tax limitation this year. That a similar experiment, initiated in 1911, resulted in the paying out by many Ohio cities of a greater part of every tax dollar for debt interest and retirement than was available for current operating expenses, appears to have made no lasting impression. At any rate, a state constitutional amendment was voted in November, 1933, which reduced the fifteen-mill tax rate limit to ten mills—not ten mills for each local unit of government, but ten to be divided among city, county and school districts. The supposition was that the state legislature would find new sources of revenue. Despite the fact that the new limit would take effect in 1935 budgets and there were cities whose tax quotas would cover no more than the requirements on their debts, the legislature did nothing for more than a year. Finally, in December, 1934, a 3 per cent sales tax was enacted for 1935 only, the bulk of the proceeds to be allocated to local governments. The amount expected to be available will fall short of providing a large number of cities and counties with sufficient funds to pay their curtailed running expenses and meet their debts. If many states are forced to run the gauntlet of such ill-planned experimentation, our municipalities will be in a sad predicament indeed.

Of most serious concern, however, is the fact that municipal debt is still at its all-time peak. The total stood at $7,754,196,000 in 1922 and at $15,215,881,000 in 1932. In one ambitious decade, therefore, our local governments nearly doubled their debt, or, to express it another way, they borrowed nearly seven and one-half billion dollars more than they paid off. Most of that money, to be sure, went for public improvements of one kind or another, which we are now enjoying—but which we have not yet paid for. Comprehensive Census Bureau figures are not available for 1933 and 1934, but reliable estimates indicate that more was borrowed in the last two years than was retired.

Not all cities, it is true, share in this disconcerting inability to control their debts. There are enough exceptions to the general rule to show that municipal debt control is possible. Among those that made material debt reductions in the four precarious years following January 1, 1930, may be mentioned Berkeley, California, 28 per cent; Cincinnati, Ohio, 30 per cent; Colorado Springs, Colorado, 47 per cent; East Cleveland, Ohio, 36 per cent; Pasadena, California, 19 per cent; Memphis, Tennessee, 21 per cent; and Springfield, Missouri, 20 per cent.

Capacity to Pay Declines

But the general picture of an undiminished burden of municipal debt remains unchanged. As a matter of fact, it has grown relatively worse, because of the decline in capacity to pay. Realty valuations have come tumbling down, with a serious shrinkage in the taxable values which afford the main basis of the taxes for payment of municipal debts. Assessed valuations for purposes of taxation have fallen 30 per cent or more in many places; and the failure of building and real estate activity to show any healthy signs of revival discourages the hope of any rapid amelioration of the situation. Only 76 per cent of the general property taxes levied for 1934 collection were paid, moreover, as compared with 87 per cent in 1930. Finally, as revenues have fallen and as operating costs have been reduced, the fixed charges for interest and debt retirement have absorbed a steadily increasing portion of municipal budgets.

The consequences are reflected not only in the 2,600 debt defaults which are authoritatively reported to have occurred, but in increasingly extensive borrowing to cover operating deficits and to pay off maturing bonds. Inability, or neglect, to provide for retirement of debt has been characteristic of certain loosely-run cities for many years, and many instances can be cited of bonds issued to pay off bonds for structures and equipment which have long since passed into the discard. But with some of our wealthier municipalities forced to resort to such expedients annually for the last three years, there is more than a suspicion of trouble still ahead.

Any well-run municipality provides a depreciation reserve for its physical equipment

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Public schools invariably are among the first victims of public financial infirmity. Like most other municipal properties, schools need, and soon must have, long-postponed repairs and replacements—at a high cost to the taxpayer.

Wages: Proof of the Pudding

BY ERNEST K. LINDLEY

THE Report *on the Operation of the National Industrial Recovery Act*, prepared by the Research and Planning Division of the NRA, is one of the most absorbing small volumes of statistics published in Washington in some time. Much that the Roosevelt Administration has done or has failed to do is brought out in cold totals and percentages assembled from the most reliable sources that are available and supplemented by NRA's own compilations.

What has happened to the income of the average workman? Figures of the Bureau of Labor Statistics show this: In February, 1933, the average worker in all industries worked 41 hours a week and was paid 45 cents an hour. The average worker in the manufacturing industries worked 38.1 hours and was paid 42.4 cents an hour.

In July, 1933, the average worker in the manufacturing industries worked 42.5 hours per week and was paid 42.1 cents an hour. This was the month of the highest industrial activity in the last two years.

Beginning in August, 1933, the NRA's reduction of the number of working hours began to be reflected.

Likewise, the increase in hourly wages which was effected by the NRA began to show. The average industrial worker worked 38.6 hours a week and was paid 48.5 cents an hour. By the end of 1933, hours per week had decreased more than 20 per cent and hourly wage rates had risen about 20 per cent. In December, 1933, the average manufacturing worker worked 34.2 hours per week and received 52.6 cents an hour. Since that time there has not been much change in the number of hours worked per week, but the average hourly wage continued to increase slightly until it reached 55.9 cents in September, 1934.

In March, 1933, the average manufacturing worker received $15.75 in his weekly pay envelope. In July, 1933, he received $18.04 (which was more than he had received since May, 1932). In February, 1934, he received $19.08; in May, $19.81. Then, as production fell off in the Summer months, and many workers worked fewer hours, the average weekly pay envelope fell to $18.57 in September, but rose again to $19.73 in December, according to the preliminary index.

Meanwhile, however, the cost of living had been rising. Under the NRA index, it rose from 68.4 in April, 1933—using the average for 1929 as 100—to 79.04 in October, 1934, and then decreased slightly to 78.85 in December. How much of the average manufacturing worker's somewhat larger weekly pay envelope was absorbed in higher living costs? The NRA calculates that the average weekly pay envelope for March, 1933, was equivalent to $22.95 in 1929, in terms of purchasing power. In May, 1933, it was $25.64, and that was the highest point it reached until a year later, May, 1934, when it was $25.98. After May, 1934, the average weekly pay envelope fell in terms of purchasing power. In September, it was down to $23.41, which was lower than it was in February, 1933, and lower than it had been in any of the depression months except July, August, and September of 1932, and March of 1933. Last December, owing to the increased number of hours worked, it rose again to $25.02 in purchasing power.

In purchasing power, the average employed worker now is approximately back where he was in the first months of 1932. He is getting more per hour than he did then, but he is working fewer hours.

The cost of living is about the same as it was in January, 1932.

The NRA figures show considerable narrowing of the differentials among average hourly wage rates in various industries, and also a narrowing of the differentials within a good many industries. The NRA has not succeeded, on the whole, in raising other wages while it has been raising the lowest. The report concludes that "in respect of hourly wage rates, the primary beneficiaries of the NRA codes were laborers in the low-pay occupations in low-pay industries, in low-pay areas, especially female labor in the South."

Laborers getting $10 or less per week have made the greatest gains.

So much for the average income per worker. How about the total income of labor? The National Emergency Council estimates that between March, 1933, and December, 1934, there was a net gain of 3,536,000 in the number of persons employed in all occupations. During several months in that period, the total rose somewhat higher—over 4,000,000 in October of 1933, and in May and June of 1934.

Using 1929 as 100, the NRA report places the manufacturing payroll index at 33.9 in March of 1933, and at 57.9 in December, 1934. Meanwhile, the cost of living rose from 68.7 to 78.8, again using 1929 as 100. So total payrolls, in terms of purchasing power, were 49.3 in March, 1933, and rose only to 73.5 in December, 1934. The "real payroll", according to this calculation, was higher in December than it had been in any month since June, 1931, except during March and June, 1934.

Within these averages, several changes stand out. Real wages have been increased substantially in the cotton goods, chemical and rayon industries—even above the real wages of 1929. In the boot and shoe industry and several other industries, real wages have declined, even since the early months of 1933.

The Bureau of Labor Statistics has pointed out, furthermore, that in October, 1934, the real income of the best-paid two-thirds of the male wage earners in the North was smaller than it had been in July, 1933, and the real income of the upper three-fifths of male wage earners in the South had declined in the same period. The upper 10 per cent of the wage earners in the North had lost 8 per cent of their real income, and the upper 10 per cent in the South had lost 10 per cent of theirs.

The portion of the report which has provoked the liveliest comment is a comparison of incomes from wages with dividend and interest payments. This set of statistics uses 1926 as 100.

In the second quarter of 1929, manufacturing payrolls reached their highest point—108.1. In the same quarter, dividend payments were 190.7 and total dividend and interest payments were 166.5.

In the first quarter of 1933, manufacturing payrolls reached their low point of 37.5; dividend payments were 134.1, and total dividend and interest payments, 154.1. In the first quarter of 1934, payrolls had risen to 57.5, while dividend payments were 139.8 and total interest and dividend payments were 164.2.

Only in the last half of 1933 did dividend payments fall below the index for 1926, while interest and dividend payments never fell below 137.1, under this set of calculations. Meanwhile, the national income had dropped to about 60 per cent of 1926.

The Ires of March:—

Family Reunion

BY MAX STERN

DESPITE the intent of the nation's Founding Fathers to "form a more perfect union", Uncle Sam's sovereign nieces, the states, have lived their own lives and expressed their own personalities for one hundred and fifty years, with little more than a nodding acquaintance among themselves. Today, under pressure of a number of circumstances, they have set about to work out a decent family life together.

Comparatively few citizens realize that the first official conference of the entire sisterhood since the Original Thirteen met in Philadelphia in 1787, to draft the Constitution, took place this year, from February 28 to March 2, in a Washington hotel. It followed an unofficial convocation two years ago and was called the Second Interstate Assembly, a little-publicized gathering but one which historians may record as one of America's most significant conclaves.

This first meeting of official delegates from all the states was called by the nine-year-old American Legislators' Association and the one-year-old Council of State Governments, whose leaders invited each commonwealth to send three representatives, one from each legislative house and one named by the Governor. The things which this group did and talked about doing were less important than the facts that they were together at last and that their convention was the flowering of a movement toward interstate, regional and Federal-state cooperation, a movement which has been growing more vocal all over the country.

This movement was started, like many new things, in the West. State Senator Henry W. Toll of Colorado, a Denver lawyer, looked out from the state capitol on the crest of the Rockies a decade ago and saw a picture that must have made him dizzy. He saw what everyone today may see—a vast crazy-quilt of 175,000 city, town, township, district, county, Federal and state governments falling over each other, reaching for one another's tax and other wealth, and raising a mad medley of laws and regulations to confound and oppress the people. The $4,500,000,000 which taxpayers pass out every year in salaries to the 3,250,000 officeholders is only part of the cost of the Topsy-like governments which have multiplied under our easy-going democracy and states' rights doctrine. In waste and hardship, these have been writing their daily chapters of a tragi-comedy of tears and laughter.

Life cuts blithely across state lines today. But not so with the laws that regulate life. For instance, Kentucky has a statute limiting the length of a truck on its highways to thirty feet; so if your conveyance is longer, you have to unload and transfer your goods at the border to a legal-length truck or else you detour the state. If you are a quarry worker in Vermont, you contract silicosis at your own risk; but in Massachusetts that industrial disease is an employer's risk. You may obtain a divorce after six weeks' residence in Nevada and remarry at once; but you must live in Massachusetts five years before you may cut the nuptial knot, and then stay on two years before you may again have a try at matrimony. One-half of the states neither prohibit nor restrict the dissemination of birth-control information, but in the other half it isn't legal. In seven states lynchers court punishment by death; in the rest of the states you may lynch your neighbors with relatively little fear of the law. You may get the feel of drunkenness simply by studying the wine, beer and liquor laws of the states. The 323 conflicts between state and Federal taxes tell only part of the story of interstate and state-Federal revenue raids, costly duplications, tax injustices and general fiscal anarchy.

This was the picture Senator Toll saw and decided to remedy if he could. In 1926 he and a little group of Colorado legislators invited fellow-lawmakers of fifteen states to gather in the state capitol at Denver. There they formed the American Legislators' Association, with Mr. Toll as its first president, and began the task of simplifying American government. They published and distributed to several thousand lawmakers a little monthly magazine, called *The Legislator*, urging inter-legislative cooperation. About five years ago their movement had become strong enough to permit them to set up a permanent secretariat in Chicago. And two years ago it was reenforced by a new organization, the Council of State Governments. This group, headed by one of America's most interesting personalities, ex-Governor John G. Winant of New Hampshire, is a clearing house for interstate information of all kinds and a sounding board for agitation in behalf of simpler and more uniform laws.

Today, under the roof of an ivy-covered building near the University of Chicago, there are gathered eighteen permanent organizations of public officials—the Mayors' Council, the American Municipal Association, and others. It is a sort of little Geneva, a meeting place of intra-American governments.

The states' delegates do more than hear speeches and pass resolutions. The recent Washington Assembly heard a report of its Interstate Commission on Conflicting Taxation, a study financed by the first assembly and designed to pave the way for real reform. This report charted a general division of tax jurisdictions between the states and the Federal government and laid down a long-range plan for adjusting the present inequities. Another innovation being encouraged is the formation of regional interstate compacts for the conservation of natural resources, the prevention of crime, the equalization of labor laws and standards, and other purposes common to certain regions of the United States. The latest of these projects is the proposed treaty for the conservation of oil and gas among the six oil states of the Southwest, led by Governors Allred of Texas and Marland of Oklahoma. Twelve industrial states of the East have held conferences on uniform labor laws and regulations. The Council also is urging regional conferences of states for reciprocal laws relating to crime prevention and the apprehension of interstate criminals.

The movement's present weakness is its lack of constant contact with the Federal government at Washington. It has been said truly that it is easier for the government to converse with China than with the forty-eight states. And with the spread of Federal-state projects in social security, public works, relief, health, conservation and education, this contact is becoming increasingly necessary. It has been proposed that the states set up in Washington a permanent secretariat through which they can reach Congress and the Federal departments on matters of common concern.

"New times bring new governmental needs," says Senator Toll, now executive director of the Council. "And these times call for intergovernmental cooperation. In thousands of instances the states are in conflict with each others' laws, their practices are discordant, their regulations antagonistic, their policies dangerously competitive. Such disharmony cannot continue. Either the Federal government will continue to take more and more control from the states or the states must harmonize their activities . . . The claim of states' rights must now be justified by a demonstration of states' competence."

CARTOON BY PAUL BOSS

VINCENT ASTOR, Publisher RAYMOND MOLEY, Editor WILLIAM C. STEWART, Managing Editor

The Public Control of Credit

I DO not think that anything can be gained by attempting to avoid the issues raised by the Eccles proposals for the reorganization of the Federal Reserve System. Their more extreme opponents raise, in essence, the question of whether credit should be controlled by some national authority or left scattered and uncontrolled, and the question of whether control, if there is to be control, should be exercised by public or by private authority.

Neither issue was completely met in the Federal Reserve Act of twenty years ago. Both were settled by compromise. The System then created was frequently said to provide, forever, insurance against panics. But it was designed to operate in a financial, banking and industrial system which worked well enough, so long as the fluctuations of prices and industrial activity stayed within reasonable limits. The makers of the Federal Reserve System neither foresaw the violence of the fluctuating forces that lay ahead nor realized the extent to which, despite the liberalizing effects of the Federal Reserve Act, our system was subjected to rigid limitations, inherited from the past.

About 1921 we discovered that prices were capable of moving up and down over ranges never before traversed in the same space of time. The amount of industrial activity could change in similar proportions. We could fall, in some industries, from 100 per cent of capacity to 20 per cent in a few months. And at the same time that prices, production and consumption showed a tendency to oscillate ever more violently, interest rates, taxes and other "overhead" charges based upon debt, freight rates, and, to a limited degree, on wages, remained relatively inflexible.

Credit, which might have provided an important means of accommodation among these factors, behaved perversely. Federal credit, thrown, as Mr. Hoover said, like a shield against the forces that threatened destruction, was inadequate to stem the onrush. Private credit was uncoordinated. It was capricious, erratic. It failed. The result was chaos.

If we believe that the price level and the amount of business activity are influenced in considerable measure by the volume and accessibility of credit, we must accept the proposition that there should be central credit control.

The need for central credit control has never been stated better than by Alexander Hamilton. His solution was the establishment, under the authority of the nation, of a great bank, directed and controlled by private persons.

The subsequent history of the Hamiltonian system of credit control proves beyond a doubt the essential wisdom of his contention that there must be some central agency of credit control. But in the Jacksonian period a bitter political conflict arose in which the sins of the bank, as administered under Nicholas Biddle, were made the grounds for destroying it. Wiser statesmanship might have sought the advantages of central control and, at the same time, the abolition of the evils of private control, by establishing public control over the bank. Political expediency found it better to smash the bank and scatter its resources to the four winds. The result was panic and bitter deflation. It was not until a generation or two later that the essential need for credit control was satisfied again by great private banking establishments, heading up in emergencies in vast temporary confederations of banks. President Wilson sought to end private control, and he thought he had put an end to these "confederacies" when he said of the new Federal Reserve System: "The control of the system of banking and of issue which our new laws are to set up must be public, not private, must be vested in the government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative."

WHAT Wilson unquestionably sought, and what he sincerely believed he had found, was a happy combination of public control through the Federal Reserve Board, accompanied by a virile and active privately-owned banking system. But the relationship between the regional banks and the Federal Reserve Board, which was the vital factor in the system, was never clearly understood and never clearly defined. Responsibility for the fixing of discount rates was the Board's; but the second great means of credit control, responsibility for open market operations, was left with the banks. This fatal flaw helped to bring on the debacle of 1928 and 1929. The very fact that bankers still disagree violently as to the reasons why no one called a halt to the credit expansion of those years is the best evidence that responsibility under such a system cannot be fixed. The facts seem to be, however, that in this particular instance, some of the regional banks, particularly the New York bank, repeatedly asked the Federal Reserve Board to authorize the raising of the discount rate. This advice was not heeded until it was too late.

Recognition of the deficiences of the Reserve Board as it is now constituted, has provided the basis for a good deal of discussion of a central bank. I have always regarded the talk of a central bank as a red herring that distracted men's thoughts from concrete realities. The real problem is not that of a central bank, but of the power that ought to be vested in the Federal Reserve Board which, in essence, is a central bank, a bank of issue. And transcending that question of power is the question of the source of power. The continued talk of a central bank has been symptomatic not so much of the need for a central bank, as of the imperative need for increased and more clearly defined public control over credit in the Federal Reserve System.

THE reasons why this need must further be met are easy to see.

If we grant the premise of a central control over credit we shall, if we turn from public control, be compelled to find it elsewhere. It is unnecessary to cite the reasons why Wilson called for an end to privately-controlled credit. Wilson may have been wrong; privately-controlled credit may have been the most efficient and honorable arrangement ever achieved. But to suggest retracing our steps is to suggest the impossible. The people of the country would not permit it; bankers themselves would not accept the responsibility.

It is equally clear that the government now has so much power over the banking system of the country that it is useless to talk about the dangers inherent in "political" control. In the course of the past two years the government has added to its control so greatly that it now has great potential capacity for interference with banking, without sufficient means to bring about the beneficial effects of real control.

To achieve adequate public control of banking, Governor Eccles proposes a number of specific measures. He would abolish the present Open Market Committee of the Federal Reserve System, which has consisted of the governors of five of the regional banks, and bring it directly within the control of the Federal Reserve Board. He would even be willing, as he has pointed out in his testimony before the House Banking and Currency Committee, to permit the Federal Reserve Board itself to act as the Open Market Committee of the System. It is important to note this proposal carefully. The two most important factors in the control of credit are the determination of the discount rate and the direction of open market operations. The first is definitely fixed in the Federal Reserve Board. Governor Eccles proposes that the second be fixed in the same body. This, it would seem, is the height of wisdom. It makes certain that in the control of credit in the future, responsibility and power will be fixed in the one central body. It would seem to me, however, that this power should be so defined in the law as to permit the banks to administer the open market operations with general control over these operations exercised by the Federal Reserve Board. To attempt to centralize the actual administration of the open market operations would be exceedingly unfortunate.

Governor Eccles would also permit the Board to designate the type of paper eligible for rediscounting at Federal Reserve banks and he would enlarge this rediscounting power by including long-term loans, particularly loans on real estate.

All of these proposals will do much to establish the principle that in the case of irreconcilable differences of opinion on vital matters between the Reserve Board and the Reserve banks, the views of the Board must prevail.

The proposed amendments to make any sound asset of a member bank eligible for discount at a Reserve bank and to enlarge the powers of the member banks to make long-term real estate loans, will doubtless cause some concern. There is a natural and reasonable fear of tying up the resources of the Reserve banks and the member banks in non-liquid assets. Theoretically, there may be strong argument for the handling of long-term loans through separate institutions and establishing a separate rediscounting agency for such institutions. But it is a condition and not a theory that confronts us. The need for encouraging long-term lending is very great. The dangers and risks will arise only if we allow the next period of business activity to transcend reasonable bounds. Fortunately, the Reserve Board has already been endowed with considerable power to throw on the brakes. Too much caution, however, cannot be taken in preparing the way to avert wild credit inflation in the future.

TO knit together the power of the Federal Reserve Board, Governor Eccles would redefine its purposes and make the Governor directly responsible to the President. The present twelve-year term for members of the Board would be maintained, however, and, in view of its enlarged powers, the importance of membership would presumably attract a distinguished and independent personnel. But the terms of the members should overlap sufficiently to prevent sudden changes in purpose and direction.

It is only fair to Senator Glass to note that he is a thorough believer in the principle of public credit control. His apprehension arises from his fear lest the Treasury have too much influence in the Federal Reserve Board. In this respect, Senator Glass' fear is worthy of the greatest respect; but the question really comes down to the character and quality of the Federal Reserve Board. There is certainly nothing in the changes proposed by Governor Eccles which would enable the Treasury to exercise more power over the activities of the Federal Reserve Board. A strong Board could easily hold itself completely independent.

The extent to which the country would, in subsequent years, have confidence in the integrity and wisdom of the Board would depend upon the way in which it administered the system. It may well grow into a genuine supreme court of finance, not only in power, but in public esteem.

Raymond Moley

When Ol' Man River Rears Up

BY HARRIS DICKSON

The levee system along the Mississippi River is 500 miles longer than the Great Wall of China and, in some places, 25 times as thick—but no one can be sure what will happen, so additions are being planned

IF the mighty Mississippi rises again this Spring or next year, will the recent handiwork of man be sufficient to stay its wrath? Since the disastrous flood of 1927, people have been asking that question, but only a qualified answer can be given: The same onrush of waters which flooded the entire lower Mississippi Valley eight years ago could be restrained today, but a greater torrent might burst through even the huge barriers which have been erected since that time.

Prior to 1927, many levees along the river were weak and low. They had been built by local taxation and with a high disregard of the value of uniformity. The situation is different now—Uncle Sam has intensified the work of strengthening the river banks and providing outlets for surplus waters. Huge barriers of dirt have been raised and reinforced until the line of defense now extends from Cairo, Illinois, to the Gulf of Mexico; and so far as human foresight can determine, it has no danger spots. Water that formerly would have submerged vast areas in five states is now being carried off without a drop of overflow.

I have picked up an assortment of information concerning the Mississippi River, through years of contact with engineers who direct its control, and I do not believe that any experienced water-fighter would be rash enough to hazard a prophecy of "flood" or "no flood" several weeks ahead. At this time, even veteran observers cannot foretell all of the malicious contingencies that must combine to produce a flood big enough to break the present levees.

Cloudbursts in western Pennsylvania must fall concurrently with deluges in Denver; "chunk-floaters" along the Yellowstone must occur simultaneously with "gully-washers" throughout the Middle-West; and melting snows from Canada must pile up on top of a raging Arkansas River. Most of the streams and rivers from the Appalachians to the Rockies must roll down at once—*all of them at once.*

Despite All the King's Horses . . .

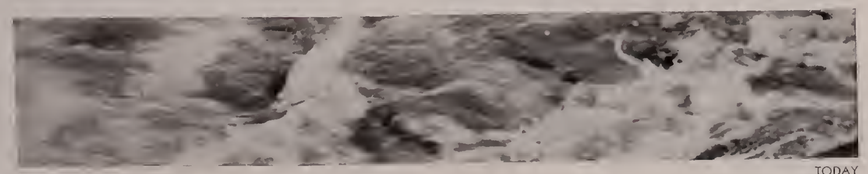
When the Mississippi does take a notion to burst its walls, a *real* notion, human sweat and tears are unable to hold it back. The best of engineers, with millions of Uncle Sam's money behind them, cannot lick a superflood.

In the flood year of 1882, the levees were ridiculously small. The weakest of them broke first. Every levee-tender struggled to hold his own section until one gave way somewhere else and relieved the pressure. Now, the levees are of standard, uniform strength, all built to "commission grade and section".

Because of natural erosion, variable rainfall and other uncertain factors, it long has been the opinion of many experts that, to cope successfully with the Mississippi—levees must be made higher and higher. In 1883, the Mississippi River Commission established a tentative grade-line for the top of all the levees from Cairo to the Gulf, but work on this project had hardly been started when it became evident that a higher mark would be necessary. In 1898, a grade-line about five feet higher than the 1883 level was established, and the engineers trying to control the great Spring surges of the Mississippi and its tributaries were well satisfied—until the floods of 1912 and 1913 washed away their optimism, as it did their dikes.

There appeared to be nothing to do but to raise the level; so in 1914 a third grade-line was established, with a three-foot addition to care for unexpected volume. Surely no flood could materially affect such high, strong levees! And then came 1927, with a flood which resulted from a rare combination of circumstances.

During the Winter of 1926, the Mississippi began its preparations as though planning a



TODAY

Army engineers are working on projects designed to prevent a recurrence of scenes like the one pictured here, photographed during the Mississippi's worst flood, in 1927, when thousands of families were left homeless and millions of dollars worth of property was washed away by the swirling water.

grand assault. First, late November rains filled up all its watercourses and storage basins, and later downpours kept them full; the Spring torrents could find no empty channels. Early in 1927, the river's rally cry rang out from mountains to mountains, and all its tributaries answered back. The Upper Mississippi poured down in a tumult to join the thundering Missouri and the roaring Ohio; the Tennessee, the Cumberland and the Arkansas came with incredible force. Worse than that: Water had been standing against the Mississippi levees for so many weeks that they had become saturated and mushy. Then the foaming, muddy river gathered all the rain that had fallen on thirty-one states, massed it, and struck—struck the Mounds Levee in Mississippi.

That huge embankment collapsed and, triumphant, the deluge swept through. Maddened waters swirled and leaped and gurgled, washing down the broken levee and widening crevasses, like a Niagara rushing through a barricade of soft brown sugar.

Watery Wastes Deserted

Behind the shattered rampart lived thousands of isolated families, white farmers and black farmers in their cabins—women, children, cows, chickens, mules, all helpless in the path of destruction. Small boats came, and every imaginable thing that would float, skiffs, dugouts, bateaux, rafts. It was almost a miracle, but not one single person was overlooked. For two or three days, the area was a nightmare of hysteria, then settled down into a watery solitude from which almost every living creature had departed. Only vultures remained, circling through the sky above the watery waste.

By wading, swimming and using small boats, the farmers and most of their livestock were concentrated upon the unbroken levees. There was nowhere else to go because, with the Mississippi River on one side and backwater on the other, the levees were the only spots of land. Steamboats soon nosed up to the embankments, refugees were loaded thick as they could stand on the decks, and most of them transported to the Gibraltar hills at Vicksburg.

The population of Vicksburg was doubled overnight by the addition of twenty-five thousand refugees encamped upon the old battlefield where cannon once roared. Twenty-five thousand hungry, wet, dispirited persons, whites and blacks, were gathered into this one little town. And Vicksburg made a good job of taking care of them. The residents laid aside their own affairs and organized for the common good with an amazing exhibition of teamwork. The Red Cross also responded. Troops of the United States Army and National Guardsmen brought what tents and equipment could be hurriedly obtained. Leather-faced sergeants knew how to boss such jobs, and street after street of tents was thrown up, in a rush but properly, on well-drained hillsides, with electric lights, city water pipes and scientific sanitation. Physicians and nurses tended the sick in hospitals. There was plenty of fresh milk for the babies, several of whom were born on the crowded barges.

Every camp had its own problems and was managed individually; at Vicksburg we had dry hills and railroad communication which made things comparatively easy. At another camp, near a small Louisiana town, the refugees were quartered along the embankment of an abandoned railroad—the only land which remained above water.

A squad of National Guardsmen policed this camp, but, for some reason, the Negroes, who usually love any uniform, resented military rule which restricted their propensity to ramble at night. Orders had been given that none of them should leave camp after supper. A sulky spirit developed and something had to be done.

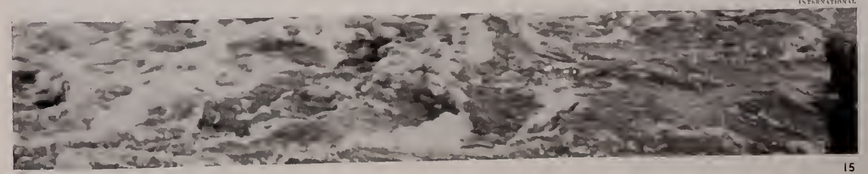
Solemn Negro leaders, mostly preachers, assembled in a nearby little railroad station to consult with the white folks and devise some system of self-government. The chief spokesman for the Negroes was appointed "Major General", chose his own staff, and the relief authorities held him responsible for the good order and cleanliness of the entire Negro section of camp, which order he enforced through "colonels", "majors", "captains" and "corporals".

The magnitude of the disastrous 1927 flood appalled the entire country and roused the national government to a sense of responsibility for control of national waterways. Senators, Representatives and Cabinet members visited the flood area to see for themselves. The damage by this one flood was far greater than would be the cost of prevention for all time.

Uncle Sam Takes a Hand

"This will never happen again," engineers promised. The engineer always has confidence in his work. Two hundred and twenty years ago, de la Tour, the French engineer, threw up his first puny embankment in front of New Orleans and christened it a "levee". It was just one mile long and three feet high, not much bigger than a potato-ridge. Yet, in all probability, de la Tour settled back with the complacent remark: "There! That's the end of overflows for New Orleans".

INTERNATIONAL



It is a singular fact that his potato-ridge did protect the city, being so short that the river could go around it—one mile of levee and two thousand miles of spillway. But overflows kept drowning out the crops of neighboring planters, so they joined their own levees to that of de la Tour.

The planters built more levees and joined them, and the counties built levees, until the States of Mississippi, Arkansas and Louisiana took up the work of building levees, and assessed taxes to pay the cost.

For more than a century and a half, local taxpayers stood all the expense of levee construction and bore all the losses from floods. The Federal government refused to spend one cent to protect lives and property through flood control, maintaining that its only concern with the river, under the "post roads" clause, was to keep an open channel for navigation. Then, gradually, Uncle Sam began to dole out a few dollars for protection, in cooperation with various local levee boards.

The farmer who raises cotton, sugar and tobacco has also helped raise the money for levees. And he, too, has the "never again, never again" idea. Previous catastrophes have failed to convince him, failed to will his optimism. In 1882, for instance, he saw fifty-six miles of levee swept away. "Build 'em up. Build 'em up." Next year, in 1883, he saw thirty-four miles of flood defence broken. In 1884, ten miles of levee washed away.

Through all those disheartening years, his faith was never shaken, so it's no new thing to tell him now that we are done with overflows. He believes and will continue to believe it, regardless.

Along the main channel of the Mississippi, the Federal government has practically finished its work. Few Americans realize the prodigious size of the task. Our levee system is five hundred miles longer than the Great Wall of China, and, in places, twenty-five times as thick.

West of the river, below Baton Rouge, lies the great basin of the Atchafalaya which became a watery desert during 1927. Its topography is peculiar, and difficult to explain: Red River flows from northwestern Louisiana and enters the Mississippi above Baton Rouge. When the Red is high, it empties into the Mississippi; but the reverse happens when the Mississippi becomes swollen, for then it sidetracks part of its volume up the Red River and south through a tangle of bayous and lakes, reaching the Gulf at Morgan City, one hundred miles west of New Orleans. This route is some eighty miles nearer to the Gulf, and deluges escape much faster. Part of the present plan of control is to widen, deepen and connect all Atchafalaya outlets, so as to carry away high flood waters more quickly and relieve the main channel of the Mississippi.

For the same general purpose, a concrete spillway has been built, just above New Orleans, to be opened whenever a flood threatens the Crescent City. The Bonnet Carre spillway makes that city absolutely safe by discharging excess waters into Lake Pontchartrain. Through the Atchafalaya and Bonnet Carre, perilous crests are diverted and never pass New Orleans.

PWA

These PWA workmen are shown constructing a revetment, to reinforce a flood-control levee on the temperamental Mississippi River. At right, one of the auxiliary locks being built to restrain the river.

The River Is Restless

Army engineers have accurate data on all floods as far back as 1876, and are confident that their colossal trough will carry off the highest water to the sea. All that ingenuity can provide for has been done. Under the Adopted Plan, which Congress approved in 1928, higher levees alone aren't considered sufficient—there are floodways, too. Running parallel to the river, these floodways will take care of part of unusual overflows. They are not for general use; only when the flood is so great that there is danger of the levees being broken will the floodways be brought into use.

The total cost of the Adopted Plan, now almost complete, is to be $110,000,000, and will provide for channel stabilization, as well as flood control. Like many another river, the Mississippi doesn't always keep to the same path—the rushing water eats into the banks here and there, makes cutoffs and islands, takes advantage of sharp bends to create land on one side and wash it away on the other. When a caving bank threatens to undermine and destroy a levee, the common practice is to build another piece of levee, set back from the river to a distance which makes it safe for a number of years.

You can't prevent floods entirely—the best thing to do is to try to guide them. For this reason, about one-third of the entire alluvial valley may expect frequent flooding; that can't be helped. Almost two-thirds of the land is now protected from future Mississippi floods. But the other third, highly productive agricultural land, must still be protected from flooding by tributary streams, and that will require more money and a great deal of planning. So the battle must go on; the day has not come when we can say, with satisfaction: "There! It's finished!"

Of course, there's a margin of safety above the estimated maximum height of future floods —but the overage thus allowed is only one foot high. And the Mississippi can gain that extra foot in various ways. A strong wind often makes the water higher on one side of the river than on the other; rushing around a bend, water sometimes piles up on one bank. Consequently, many of our best engineers think that the one-foot safety margin is not enough extra insurance, and future attempts will be made to provide for more height. Three feet is the overage which is suggested.

What will it cost? The levee system is almost two thousand miles long (1,825, to be exact) and the average height is about twenty-one feet.

To raise the levees but one foot would mean the use of 70,000,000 cubic yards of earth, and at the average cost of fifty cents a cubic yard, this would mean an outlay of $35,000,000.

We might let the water run over and through designated levees, and trap it in reservoirs. That has been suggested more than once since the Adopted Plan was put into force. Reservoirs would provide the desired extra safety, and the water could be used to generate power, to assist in land reclamation, to irrigate fields and control low-water streams in case of drouth. Army engineers have been studying the reservoir idea. Headwater reservoirs would, of course, reduce the flood crests and lower the backwater floods, adding thousands of acres of farm land to those now adequately protected. Fifty million dollars probably would be needed to construct enough reservoirs—but the value of levees already constructed is around $300,000,000, and it's a case of either adding to them or cutting down the flow of flood waters.

The job the engineers are doing—slowly, carefully binding the great river to a controlled course—commands the respect of all who remember 1927, with its inundation of twenty thousand square miles, its $270,000,000 property loss, its destruction of crops and stock, its burden of misery and want for the thousands of citizens who love, yet fear, Ol' Man River.

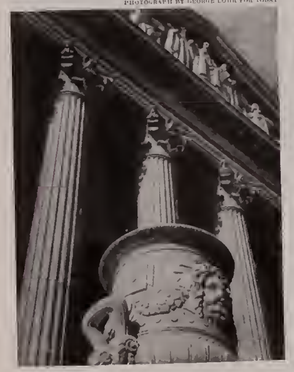
PWA

Leave to Print

BY ANN GORDON SUYDAM

ESTABLISHED in 1789, the Supreme Court of the United States has never gone in for much outward and visible grandeur. It has preferred to allow its magnificence to rise in the imagination of the citizens, rather than on the real estate plats of the District of Columbia. During its greatest period (1801-1835) its decisions were handed down in the back parlor of an unpretentious residence. When the Senate vacated a small round chamber under the dome of the Capitol in 1859, the Supreme Court quietly took possession thereof. There it has remained since, 'midst the shades of Webster, Calhoun, and others of that stirring era just before South Carolina fired on Fort Sumter, and it was in this small chamber that the famous gold clause decision of 1935 was handed down recently.

PHOTOGRAPH BY GEORGE LOUIS FOR TODAY



Expensive as well as impressive, the Supreme Court soon will move into new quarters which cost ten million dollars.

For all its reputed reverence for tradition, the Supreme Court will soon move out of these quarters, a victim of the delusion of the tenth Chief Justice, William Howard Taft, that the Court's grandiose role should find reflection in ten million dollars' worth of marble and stone, robing-rooms, libraries, offices, pantries, and chromium plumbing.

To most of us, the nine remote Justices represent the quality of pure intelligence, adorned with Biblical robes and dispensing commandments with Mosaic majesty from the austere heights of the Bench. Nevertheless, in the gold clause decision recently handed down to a waiting world, we became suddenly aware of nine individuals, five of whom were aligned on one side and four on the other. And now that they have decided to quit their ancient cubbyhole and move to a cosy little $10,000,000 Corinthian palace, we realize that, after all, they are not merely nine heroic figures, but vulnerable human beings, subject to the usual trammels and trials of life.

KEYSTONE

"One of the select leaders of the big business bonus army," Eugene G. Grace.

Who could conceive, without having read the records of hearings before the House Committee on Appropriations, that the specific item of forty maids with forty mops would figure largely in the Supreme Court's Olympian needs? Or the fascinating item of the laundress requested plaintively by the Supreme Court Marshal "because it is much cheaper to have a laundress in than to send out work to a laundry"? Only think of the hundreds of women who, since the advent of the chain laundry, have balanced in their minds the delicate question of whether it is cheaper to send the laundry out or have the laundress in. Now from Frank Key Green, Marshal and mouthpiece of the Court, comes not only the definite dictum that it is cheaper to have the washing done in, but also the suggestion that the laundress be male.

Hanging Participle

THE new Department of Justice Building, where even the cuspidors are aluminum, is the gaudiest of all the structures housing the Federal government. A Greek coming to life here would start looking for the sacrificial altar. The architect seems to have assumed that this was the last building of its size and character that would ever be built. The great interior court is filled with boxwood growing in a glacial deposit, at $3 a pound, and red mosaics (patented process, fifty cents a square foot) adorn the entrance arches. There is a low relief of Justice, an obvious female, reclining on what is left of the revised statutes.

When the amazed fortune tellers and Chinese tea merchants of lower Pennsylvania Avenue thought it was all over, men with ladders ran out and put chromium balconies here and there beneath windows which it is against the department's rule to open; and now fellows with mustaches, suspended in canvas tents, are carving words across the outside. Over the main entrance is the Roman inscription: "The Palace of Justice". And there is one sentence

For Goldenrod Money

THE Edison laboratories in New Jersey can make good rubber out of goldenrod at seventy cents a pound. This is too costly for tires but it would make nice flexible currency. Let us go on the goldenrod standard.

•

Judge Grubb holds that the government has no right to peddle electric current. Judge Nields says Section VII-A is unconstitutional, and Judge Dawson rules that Congress cannot regulate wages in the bituminous coal industry. Nobody can say that the pitcher is not getting plenty of instructions from the bench.

•

J. P. Morgan is selling off his knick-knacks and Andrew W. Mellon is within ninety-seven million dollars of the breadline. The cotton sharecroppers, it might be added, are not feeling any too cheerful either, these gloomy March days.

•

Huey Long may leave the Senate and again become Governor of Louisiana. His state has $1,500,000 in the bank while all he sees in Washington is a deficit. An ambitious young man likes to associate himself with a concern that has a future.

•

Industries are now making the best showing since 1933, with autos, steel and textiles leading the upturn. The railroads, too, are seeing the dawn of a better day. They have already received a big order to ship Babe Ruth from New York to Boston.

•

The telegraph companies urge all patriotic citizens to wire their views to their Congressmen. Or, we could send a letter for three cents and help Mr. Farley abolish the deficit again.

that begins at Ninth and the Avenue and will end a few days from now at Tenth and Constitution. When the period is chiselled in, there is going to be a special thirty-five-cent blue plate lunch at the cafeteria of the Bureau of Internal Revenue across the street.

One of the features of the building is a beautiful hanging participle in the middle of the block.

FROM Ted Cook's column in the New York *American*:

Breathes there a man with soul so dead
He does not hope and pray
Tomorrow will not be so dull
As Raymond M's TODAY.

A reply to one of too many Cooks:

There breathes the man with soul of clay
Who waits till tomorrow to read TODAY,
Who slakes his intellectual thirst
With lurid lines from Mr. Hearst.

•

BY R.F.A.

THE rough treatment which the New Deal is receiving in some of the Federal District Courts was anticipated by the legal and political minds of the Administration. The Federal courts are heavily loaded with replicas of Supreme Court Justices McReynolds, Sutherland, Butler, and Van Devanter. One Democratic lawyer in Washington refers to them as "the Hoover judges". Except in a symbolic sense, the epithet is inaccurate.

It was perfectly patent from the outset that much of the important New Deal legislation had very little chance of being upheld by any judge of this type. The legislation was drafted by expert lawyers who were familiar with the decisions of the United States Supreme Court. Obviously, they relied on the stream of liberal thought in the Court.

Lawyers know which Federal judges are strict constructionists and which are liberals. The Roosevelt Administration hasn't advertised the fact, but it has refrained from prosecutions under the NRA in certain districts because there were no liberal judges to hear the cases. In the same way, lawyers representing interests opposed to the New Deal have tried to get their hearings before judges whose conservatism is beyond question.

The preliminary trials of New Deal legislation in the courts have been going on for a year and a half. There have been between two hundred and three hundred cases of some importance, in addition to a much larger number of cases of less novelty and constitutional interest. In an overwhelming percentage of cases, the New Deal has been upheld. But it has been directly challenged by several judges, including Judge Grubb in Alabama, Judge Nields in Delaware, and Judge Dawson in Kentucky.

The Supreme Court had just announced its decision on the gold cases. The public's attention had been focussed on the judicial branch, and the newspapers had made much of the potential open conflict—between the judiciary and the coordinate branches of the government—which unquestionably would have followed adverse decisions in the cases. The subsequent anti-New Deal decisions in the lower courts came along just in time to seize the foreground in this larger picture. Consequently, they got much more publicity than was given the earlier Belcher case, involving most of the basic constitutional issues in the NRA, which was already before the Supreme Court and which will be argued late this month or early next.

Attacks from Within

THE insistence of various Senators on holding another investigation of the NRA before enacting a new NRA law was less embarrassing to the Administration than some of these Senators suspected. While flexibility is needed, a good many persons in the New Deal would like to have a more careful definition of Congressional intent with respect to the anti-trust laws.

They recognize that many of the original NRA codes contained provisions which restrained normal competition to an unwholesome extent.

In fact, the most penetrating attacks on these restraints have come from within the NRA itself. Careful examination by the Senate would serve to bring out the fact that, although the NRA has acquiesced in some of these restraints, they originated in the insistent pleas of business men, not in the ideas concerning a "planned economy" or "regimentation" or any of the other bogeys conjured up by the Old Guard journalists.

The main trend of thought in the Administration has been toward a discriminating policy, such as was outlined by the President in his recent NRA message.

Donald Richberg is the President's chief spokesman on NRA policy, but there have been repeated indications over a period of months that, except in the natural resource industries, the President leans a little more strongly toward freer competition than Mr. Richberg does. Under the guidance of the Senate Finance Committee, the Senatorial review of the NRA is likely to be directed to the essential points of this important problem.

Graceless Opportunism

IN exposing the obtuseness of some of the financial and industrial leaders of the country, the Senate Munitions investigation is rivaling the earlier Senate Banking investigation.

Eugene G. Grace, president of the Bethlehem Steel Corporation—and one of the select leaders of the big business bonus army—could not countenance the suggestion that while men were being sent to their death at $1.25 per day his steel company might be required to operate for a nominal profit and that he might be conscripted to work for the purely nominal salary of $10,000 per annum—about $35 per day—in perfect safety (and without the bonus of three-million-odd dollars he got for his services during the World War).

After some thought, Mr. Grace was willing to concede that doughboys might be entitled to about five dollars a day to put them on a par with ordinary wartime workers, but he warned against interfering with the salaries, bonuses, and profits of the big boys.

Europe Looks at the New Deal

BY JOSEPH REMENYI

WHILE Europe is still a tragic crossword puzzle of racial, social and economic antagonisms, the Gordian knot of American problems, which the President is unraveling, has aroused varied comments among Europeans.

I recently traveled through Belgium, Germany, Czechoslovakia, Austria, Hungary, Rumania, Switzerland and France. During my sojourn, I had an opportunity to meet the "unknown European", men and women representing official circles, writers, artists, publicists, and politicians—some of whom had visited America before the present Administration, and others after its advent. I talked to returned immigrants, some of whom left the United States because of economic distress, and others whose return was decided upon and realized a number of years ago.

Varied Reactions

However, when one analyzes the impression that the New Deal has made on the European public, one can observe several degrees of approval and disapproval. Students of politics, laymen, conservatives and extreme radicals make pro and con declarations, but in one respect they all agree: That the President's political eclecticism is moving in the direction of a unified purpose, consistent to the democratic traditions of the American commonwealth, at the same time recognizing certain up-to-date postulates, which to ignore would be identical with a political, social and economic suicide.

The professional skeptics are evidently incapable of understanding the rational quality of President Roosevelt's idealism. They satirize the President's faith in the "common man", suggesting that his autocratic decisions are a hypocritical contradiction of his love for the common people.

The European countries—even those which boast about their democratic structure—lack democratic traditions and judgment in an American sense, and this is the chief reason why the skeptics lose their sense of proportion in regard to the decisions and results of the American President. In Paris, a journalist declared in my presence that democracy is one of those terms that everybody uses but no one can define. A lack of definition leads to a confusion of the issues in question.

Beside these skeptics, who mainly represent that class of the *bourgeoisie* which is still more or less (rather less) well off, and a certain stratum of the gentry and the aristocracy, there are the Communists whose reactions are, of course, built on entirely different motivations. They pretend to have their fingers on the pulse of the working class, and assert that all over the world the interest of the workers is diametrically opposed to the aims and possible success of President Roosevelt.

In Zurich, Switzerland, I was reading a newspaper which in blazing capitals reported an American strike, when the waiter who served me smilingly commented: "The American workers are coming to their senses. I wonder what panacea President Roosevelt will offer to them?"

"Postponing the Blow"

"Suppose he succeeds?" I asked, without betraying the fact that I was an American.

"It would only mean the postponement of the final blow that the workers' revolution will strike against their masters."

It is evident that those who adhere to traditions in an unmistakable reactionary interpretation, and those who see the future merely through the cloudy visions of communism, are unable to grasp the balance and fairness of the American President. Fortunately, the confusion of Europe has not reached that stage in which common sense does not manifest itself.

In the city of Kolozsvar (Cluj), Rumania, I met a retired professor whose very characteristic remark of President Roosevelt was this: "Heretofore, we were only interested in America's technical growth and commercial achievements. This is the first time that here, in this part of Europe, America has compelled us to think at the expense of European traditions."

Detached Point of View

There is another group of the middle class which has a somewhat detached point of view about the President. Their own worries are such that a thorough study of the New Deal is beyond their capacity; they gather their information from partisan newspapers, but are intelligent enough to draw their own conclusions, instead of blindly following the editorial prescriptions of their newspapers.

What is the cross-section of the common man in continental Europe, of which the two extremities are the illiterate woman and the well-informed laborer? I spoke to a number of them; some never had heard the name of the President; others confused him with Theodore Roosevelt; still others were deeply moved by his love for the common people; some were indifferent.

The basic view of the European common man in regard to President Roosevelt is that of the ignorant person or of the dreamer who, however, is unable to see the sharp contours of his dreams. As one of them said to me in a small Austrian village: "He is a rich man and yet he seems to work for the people. What a miracle!" And in the lowland of Hungary, in Tape, near Szeged, a peasant remarked: "I don't know much about President Roosevelt. But I should think that in the future they will tell legends about him."

And the returned immigrants? Those who returned to their native lands at the time of American prosperity repudiate the very assumption that America can have an economic headache. For them, President Roosevelt is just a President whom the Democrats elected as the head of the United States. Those who returned recently speak about the President with reverence. Their own economic plight may be very much of a personal problem, but it does not interfere with their respect for and faith in the President. One of these returned immigrants, an Austrian, declared: "When I think of the President, I don't know why any country should want a king."

And this was said by a man who, at present, "enjoys" the questionable privileges of a country that is longing for the return of an emperor.

"We have with us today a man who probably has the solution of all our social problems."
DON HEROLD

Hourglass

(Continued from Page 5)

or rhapsodize about it. It was this great mass of people that she reached in New York more than a decade ago, and, to a greater degree, in Hollywood three years ago.

By and large, she is a pretty widely-respected person—which is not intended to stimulate a controversy, but to express the simple truth. There are thousands who feel differently, but just as certainly as she represents the all-time satin Jezebel to them, people who know her—and a great many who don't—like and respect her.

There is one Yale professor who quotes her with enjoyment, much to the delight of his undergraduate audiences. In Hollywood, she is accorded the awed, grudging respect shown anyone who can bang that boxoffice bell like the old steel wagon tire while the village store is burning. Last Summer, I heard a girl who had been reared in an exclusive Chicago suburb say that she "could not help but admire Miss West's blunt courage of conviction". There are women who write her that she has saved them from disaster, which, indeed, she probably has.

To the reasonably objective interviewer, there appears nothing phenomenal about her. If you hold with the old French proverb about all things being pure to the pure, there rises not one faint whiff of brimstone. If, on the other hand, you call at her home expecting to be greeted by a gilded Sheherazade who knows and uses all the smoking-room answers—you'll be disappointed.

She lives in five rooms, in one of Hollywood's newer apartment houses, done in white Louis XV, definitely on the frilly side, with a huge polar-bear living-room rug, a white brocade chaise-longue, and a mirror over her large, canopied Eugenie bed. She lives there with her brother, Jack West, Jr. Her father lived just down the hall, until his recent death. Her mother died some years ago.

She is a hard-headed Brooklyn girl who realized early in life that she had an inherent passion for certain worldly goods, and couldn't expect to get them without working for them. As morals go in many a household, she may be termed unmoral. As morals are defined in many another household, she is one of the most rigid moralists of our time.

Moral Convictions

She looks a little bored when morality is mentioned, then swings into what is evidently an old and oftrepeated conviction:

"As to morals [and you'll hear that question pop up whenever Mae West is mentioned], I don't believe they're any better or any worse than they used to be. They're only discussed more openly now. People don't come to a theater and pay their money to be offended—and if they keep coming back, they're not offended; they like it."

An estimated forty million persons have liked her pictures thus far in these United States, and other millions in other countries, too.

Personally, she thinks her private life is rather quiet, that it would be dull to most people.

"Despite the sensational aspects of my past on the stage," she says, "personal scandal has passed me by. To be frank, I've been too busy, and busy people don't sin. It takes time." Whereupon, with a faint rustling, the bones of Cotton Mather turn in his grave as he finds himself agreeing with the most famous screen Magdalen of our time, that an idle brain is the devil's workshop.

She works about as hard as anyone in Hollywood. She writes most of her own productions, partially directs them and, of course, stars in them. She does most of her writing in the spreading canopied bed, glancing upward occasionally, one supposes, to freshen her assurance by a glimpse of the cool, wise eyes in the mirror overhead.

She doesn't care greatly for dancing, doesn't play bridge, and almost entirely passes up the social life of Hollywood and Beverly Hills. She has a robust appetite for good food, and has a young girl's fascinated love of furs and diamonds. She likes big rare steaks and satin nightgowns. She usually attends the Friday night fights at the Hollywood Stadium, and is accounted a shrewd appraiser of prize-fighting talent.

She doesn't drink, having no patience with loose thinking. She doesn't frequent night clubs, because she likes her air fresh. She doesn't smoke for much the same reason, and because, startlingly, she thinks it makes a woman seem hard.

She has astonishing blue eyes, and one of the most famous complexions of this era. She says that's because she keeps away from night clubs, and alcohol, tobacco, and worry.

She is, of course, blond, with benefit of her hairdresser's art. She is five feet, four; weighs about 125 pounds; bust, 36 inches; hips, 36; waist, 26; thigh, 19½; knee, 13½; calf, 13½; ankle, 8½; shoe, size four.

She was born in Brooklyn one hot night in August of 18—, daughter of an Irish fighting man and a German-French mother. (She does not give her age. It seems a reasonable belief, however, that she was capable of asking why it was pronounced "Son Whon" hill when she could see the young Mr. Hearst's explosive extras were spelling it "San Juan".)

Moving forward to a night in 1920, we find her engaged as the blond background for a comedy act featuring Ed Wynn and Frank Tinney.

Miss West comments:

"I never was the blond background for anybody for long. I was just supposed to walk around while they got the attention and the laughs. Well, if all they'd let me do was walk, I'd walk like nobody else.

"And that's where my free-wheeling gait was born. I strutted out on the stage one night, saying nothing, just walking. The audience forgot the comedians for a while, and I still walk like that. After all, you've certainly got to walk to get places—and back from places—and my walk has certainly helped me get places."

Which is a good specimen of her style of speech, a faithfully reflected Forty-Second Street attitude, with the wisecrack as the natural medium of serious expression.

After the début of the now world-famous undulant hips, Miss West fooled along in musical shows and vaudeville, making a living, but leaving the world quite unexcited until 1925, when she blossomed out as playwright-director-producer-actress in her roundly-anathematized play, *Sex*. It was this little offering which resulted in her banishment to Welfare Island, at the order of Acting Mayor McKee of New York.

This was the turning point of her career. Had she whined, New York probably would have laughed her out of town. As it was, she free-wheeled into the jailhouse and was fondly joking with the warden's children within three days, and New York laughed her into a lot of money—made her a celebrity.

"The kids wanted me to teach 'em to dance," she remarked laconically, "and I did. The warden hated to see me leave."

On to Riches

She had time to think between those dancing lessons, however, and was working out the details of the project which was to make her rich. By the time she got out, the plot of *Diamond Lil*, one of the smash hits of the past decade, was taking form.

This hard little tale of the Bowery courtezan and the dark 'n' handsome Salvation Army captain, stayed on Broadway for two years, and for three years more had patrons dusting off back seats they hadn't used since *The Birth of a Nation*, in San Francisco, Atlanta, Des Moines, and other such road-show stops.

Eventually, she had a chance to go to Hollywood for a small part in a movie. She registered only moderately well, just well enough to draw the Maudie Triplett rôle in *One Certain Night*, which was filmed with Hollywood prodigality under the title of *Night After Night*. The rôle was tailor-made for her talents. Perfectly foiled by Alison Skipworth, Maudie Triplett was a small riot, pretty well made the picture.

The result: An offer to do a movie version of *Diamond Lil*. It was, allegedly, a half-hearted offer, with the studio suggesting that she take a share of the questionable gross, rather than straight salary. She snapped it up. They never made such an offer again. For some reason, known only in the dark reaches of the movie lot executive offices, the movie was titled *She Done Him Wrong*. As it turned out, it wouldn't have made any difference. It could have been called *Godey's Lady's Book for 1931* and, as soon as the word got around, it would have packed them in. It was old *Diamond Lil* intact, except for a few new wisecracks.

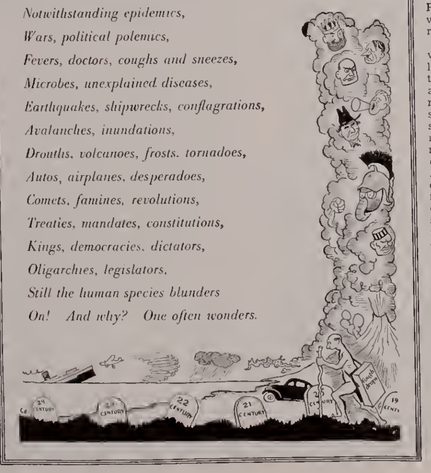
After that came *I'm No Angel*, which was another remarkable film, because it packed the theaters largely on the *Diamond Lil* momentum, not being much of a movie itself. Whereupon, the Hollywood sextons sharpened their spades—one for a chance hit, two for momentum and three to go. Instead, the third was the biggest hit of all—*Belle of the Nineties*, a smash despite the fact that it was released at the height of the censorship furor.

"Hollywood has been good to me," Mae West says. "I haven't a complaint to make, and wouldn't make it if I did. I don't play that way."

Pure Perversity

BY ARTHUR GUITERMAN

Notwithstanding epidemics,
Wars, political polemics,
Fevers, doctors, coughs and sneezes,
Microbes, unexplained diseases,
Earthquakes, shipwrecks, conflagrations,
Avalanches, inundations,
Droutls, volcanoes, frosts, tornadoes,
Autos, airplanes, desperadoes,
Comets, famines, revolutions,
Treaties, mandates, constitutions,
Kings, democracies, dictators,
Oligarchies, legislators,
Still the human species blunders
On! And why? One often wonders.



Suckers Beware

(Continued from Page 4)

The prospect of riches through investment in gold and silver mines now dazzles the public. The country is flooded with pamphlets which describe nuggets as big as your fist and precious dust so thick that it gets in your hair. Regularly, the commission receives wistful letters asking if it would advise the sale of the old homestead and the investment of the proceeds in a gold or silver mine. A simple and safe answer to such people consists of two plain but penetrating observations by Chairman Kennedy:

"The amount of money invested in gold stock is vastly greater than the amount of gold ever taken out of the ground. If anybody makes a real gold strike, there isn't a bank in the land that won't lend him all the funds he needs for development. He doesn't have to peddle his stock to the public."

"Switch and Sell"

There are a few general principles and striking similarities in these phony operations which should place the public on guard. The most prevalent system for swindling people these days is the "switch and sell" game. Its operators have supplanted the bucket shop, which took orders for the purchase of stock and rarely executed them. Under the "switch and sell" plan, the customer is persuaded to entrust the salesman with valuable, listed stocks on the assurance that the latter's close contact with the market will enable him to deal in them more advantageously. By successive exchanges, the swindlers eventually substitute worthless paper for the original securities. Sometimes they notify their clients of the substitutions and sometimes they don't; they simply leave town after disposing of the good stocks. The Federal commission attributes the success of this scheme to the laziness of the client in checking up on the new stocks, and his willingness to accept the salesman's word that "the new ones are just as good or better".

The conventional high-pressure fake stock salesman continues to depend upon his ability to persuade a customer to part with his money or any other form of valuables for the fake offering. When one of these salesmen shows a surprising familiarity with a customer's financial status, his life insurance policies or his security holdings, it is time to beware. It means that the customer is a marked man.

Preparing "Sucker Lists"

For, with Boston as a center, the system of preparing "sucker lists" has been developed into an organized and profitable industry.

The operators frequently buy a few shares of stock in a great corporation because it entitles them to a list of all stockholders. Subsequent investigation discloses the ripeness of certain stockholders for plucking, and a salesman, fortified with financial and psychological information about his intended victim, often knows how to appeal to his vanity or break down his resistance. These "tipster" houses also scan the newspapers daily for data about persons who have become likely prospects through the sudden acquisition of wealth, whether the windfall is a legacy, a promotion, an election to office, a marriage or a divorce. Whenever possible, they seek out old persons who may have saved something from the 1929 wreckage but who find that it is not enough to provide a livable income and are overanxious to recoup. Between September of 1934 and January 31 of this year, the Federal commission received some six thousand complaints from victims of stock swindlers.

The newspaper advertisement which offers advice on stocks and investments is one of the most popular methods by which fake promoters contact prospects. Under this system, a local newspaper carries an advertisement announcing that a request sent to a certain address in another state will be answered with advice on what and when to buy. Instead of an answer, however, a local salesman appears with the explanation that he understands that the particular person is interested in new investments or in rearranging those he may have. What has happened is that the victim's letter has been forwarded to a local agent, and the rest is simple. In this way, the swindlers make it difficult to prosecute them.

Rules for Protection

There are a few simple rules, however, which will protect investors against these sharpers. In the first place, before opening their doors to stock salesmen they should ascertain why they are honored with such a visit; they should discover where and how the visitor obtained their names as prospective purchasers. A few questions may disclose that the honor is due solely to the presence of their names on a "sucker list". Secondly, the customer should make a few discreet inquiries concerning the salesman's local offices or headquarters. More often than not, he will discover that, no matter how luxurious the quarters the come-on man may have, he usually pays only a few dollars a week for the right to receive his mail there. And if the promoter really is operating from a seemingly permanent office, the prospect will almost invariably discover that the mahogany files and furniture have been rented, and that the battery of telephone salesmen and the stenographers have been hired on a *per diem* basis. While engaged in these investigations, he should submit a prospectus of the stock to local, state or Federal agencies for a check on the truthfulness of the statements therein.

Contrary to the popular belief, the SEC has found that urban residents are more credulous than persons in rural communities. The latter are slower to close a bargain, and more inclined to consult their local banker, who may be a lifelong friend. Country folk are also accustomed to making their money only through arduous toil, and are likely to be skeptical about promiscs of sudden and unearned wealth. Urban investors, on the other hand, are closer to the scenes where fortunes are won and lost overnight, and the gambling spirit is in the air, whether it's counterfeit money or counterfeit stock, the records at Washington reveal that the "smart city feller" is more gullible than his "country cousin".

Smart Sharpers

These 1935-model sharpers are smart, no doubt of that. They are no longer the slangy, over-dressed, smart-alecky type once depicted on the stage and in fiction. The depression has filled their ranks with former business executives, professional men and engineers. Frequently they know more about the stocks held by their victims than the latter do, and they can point to defeets which the owners may suspect, thereby paving the way for acceptance of their "expert opinions" on the securities they seek to sell. The major operators, who rarely step from behind the scenes, are wise enough to employ men and to devise schemes which appeal to the mood of the moment. They keep abreast of "styles" as closely as any designer of fashions.

They cater to the public's temporary interests and cupidity as faithfully as do the headlines of the daily newspaper. When the nation was on a building spree some years ago, their specialty was first mortgage bonds, and they cleaned up in that field.

When investment trusts became the vogue, they turned to that kind of promotion. When Lindbergh flew the Atlantic, they were the first to offer fancy bargains in aviation stock.

When it seemed that the women of America might clothe themselves entirely in rayon, they sent out hundreds of salesmen to dispose of rayon stock. They brought forth oil stocks as soon as the Oklahoma fields seined to offer a new form of wealth. When Repeal came, they dealt in stocks of distilleries which were never operated or even erected.

Overlooking No Bets

As soon as President Roosevelt's monetary policies enhanced the value of gold and silver, they flooded the land with securities of mines never dug or long since abandoned. When the President embarked upon a vast public works program, they promoted stock in various corporations, each of which, they assured purchasers, had an "inside track to government contracts worth millions of dollars". And always, in such ventures, the crooked promoters are a few strides ahead of the legitimate issues of stock based on actual developments.

Without changing human nature, there is no way to wipe out these illicit operators. But Chairman Kennedy believes that a campaign of publicity and education will tend to hamper their shady enterprises. Once the Abracadabra gold mine gets into the headlines, its stock may not get into the portfolios and safe-deposit boxes of the public. And Credulity Common may go below par.

of the defunct Fascist League. He admitted that it was the intention of the new body to continue the work of the old—"Nothing can stop us," he said.

The Italian Fascist organizations in America are financed by contractors, large employers of labor, bankers and business men. Their press is subsidized in Rome. In addition to spreading propaganda for Il Duce, these Fascists bitterly oppose organized labor. The American Federation of Labor has denounced Fascism for this reason, time after time.

The Congressional investigation disclosed liaison between Italian Fascism and German Fascism, but little effort was made to expose the former; the committee had neither the time nor the money. But anyone who is at all familiar with Italian politics in America knows that Mussolini's agents have never stopped their activities here in the past twelve years.

At the present time, the State Department is investigating numerous documents concerning subversive Italian propaganda in America. These documents were brought to the committee in Washington by a group of Italians under the leadership of Girolamo Valenti, editor of *La Stampa Libera* (The Free Press) a New York Italian newspaper. Chairman McCormack directed this group of anti-Fascists to Assistant Secretary of State Carr and Immigration Commissioner MacCormack. One of the documents named an ex-Communist, Ettore Frisina, as a Fascist agent. Valenti asked that the government authorities ascertain how much of the 1934 Italian budget fund of 154,000,000 lire for propaganda abroad, was being spent in the United States, and presented affidavits charging the Italian consuls in Pittsburgh, Detroit, and other cities with intimidating and terrorizing naturalized Americans of Italian birth. He declared that the various "pilgrimages" of American children of Italian parentage were paid for by the Fascist propaganda.

Protected by Italian Law

Much more important, however, is an Italian law which protects and even encourages Fascist actions of violence. In 1925, the Fascist Grand Council passed a law providing for financial aid to all members of the party who were hurt in any kind of a political encounter with non-Fascists in Italy. Under the 1925 law, a Fascist who killed or stabbed or shot an anti-Fascist in Italy was honored with a pension; in case of death, the family received this reward of honor.

Then, on August 10, 1927 (See *Official Gazette of the Italian Kingdom*, for August 30, 1927), this subsidy for violence was extended to Fascisti in France, Tunis, the United States, and other centers of Italian population. The money is paid "in case of conflicts or aggressions, bodily wounds, etc. provided received in the Nationalist cause".

It is under this law that the Fascisti have been operating in the United States. In all the instances of violence since 1927—the shootings at Garibaldi outings, the riots when notable Fascists arrive, the attacks on anti-Fascist newspapers and meetings—the American Fascisti who are injured in any way are recompensed. Under this law, injuries received from anti-Fascists or from the police are regarded as "war wounds".

Hitlerism Marches in America

(Continued from Page 7)

The McCormack-Dickstein Committee made six recommendations concerning such activities. The first five propose the registration of foreign publicity and propaganda agents, the shortening of their visits in America, the negotiating of treaties regarding deportations, the outlawing of propaganda among military and naval forces of this nation, and the empowering of Federal attorneys to prosecute witnesses who refuse to answer questions asked by Congressional investigators or those who refuse to produce evidence in their possession.

Recommendation Attacked

The committee's sixth recommendation follows:

"That Congress should make it an unlawful act for any person to advocate changes in a manner that incites to the overthrow or destruction by force and violence of the Government of the United States, or of the form of government guaranteed to the several States by Article IV, Section 4, of the Constitution of the United States."

The substance of this recommendation, which is similar to a new British law, approximates the alien and sedition law which the Federalists enacted in 1798 and which soon caused the downfall of the Federalist party. This law punished as sedition: ". . . False, scandalous and malicious writings against the Government, either House of Congress, or the President, if published with the intent to defame any of them or to excite against them the contempt or hatred of the people, or to stir up sedition or to excite resistance against law, or to aid in hostile designs of any foreign nation against the United States."

Signed by President John Adams and enforced by him, the law became the instrument for suppressing free speech and a free press. President Madison said: "It is a monster that must forever disgrace its parents." Jefferson, coming to the Presidency, remitted all fines which had been levied under the law and pardoned all persons who had been imprisoned under it. He said the law was unconstitutional. To Mrs. Adams he wrote: "I discharged every person under punishment or prosecution under the Sedition Law because I considered and now consider that law to be a nullity as absolute and palpable as if Congress had ordered me to fall down and worship a golden image."

In 1861, during the Civil War, the government passed a Seditious Conspiracy Act, just as in the World War we had the Espionage Act. The 1861 law has just cropped up again in Oklahoma, where United States Attorney Lewis has announced that he will use it to prosecute all those who have been writing letters criticizing him and favoring the release of several unemployed men who were arrested in a riot last May.

The first protest against the threatened repetition of the 1798 measure in America was addressed to Representative McCormack by the American Civil Liberties Union:

"Specifically, we record ourselves as opposed to . . . the proposal to enact a Federal sedition statute under which mere opinions, beliefs, or utterances could be penalized. At the present time the law punishes conspiracies to do any overt act against the government even in the absence of such an Act. The only thing not punishable by law today is the expression of individual opinion. To make utterances criminal would be a plain violation of the constitutional provision of free speech. . ."

William Green, president of the American Federation of Labor, is of the opinion that if McCormack-Dickstein recommendations should become law, they would make it possible to suppress not only general strikes, but any strike in which labor engaged to gain or maintain its rights. But Matthew Woll, vice-president of the labor federation and acting president of the National Civic Federation, favors the proposed law.

The American Legion has been accused of Fascist sympathies from time to time since its former commander, Alvin Owsley, said: "If ever needed, the American Legion stands ready to protect our country's institutions and ideals as the Fascisti dealt with the destructionists who menaced Italy."

Asked whether that meant taking over the government, he replied: "Exactly that. The American Legion is fighting every element that threatens our democratic government—Soviets, Anarchists, I. W. W., revolutionary Socialists and every other 'Red' . . . Do not forget that the Fascisti are to Italy what the American Legion is to the United States."

The Fascisti of Italy were financed by the *Confederazione Generale dell' Industria* (General Industrial Confederation) and similar organizations of manufacturers; and their chief enemy in 1922 was not the weak Communist party, which Mussolini admitted was defeated in 1921, but the tremendously powerful Popolari (or Catholic party) of Don Sturzo. These facts are now historically proved, although they may not have been known to Commander Owsley.

The Legion should not forget that Hitler, Mussolini, Pilsudski, De Rivera—in fact, almost all the dictators who have suppressed human rights and the gains of democracy in their various countries—have built up and employed organizations very similar to the American Legion as the armed forces by which they upset free government. And in every such instance, certain business interests and super-patriotic organizations have been the financial backers.

"The Man on the Horse"

Recently we have had the testimony of General Butler that he was asked to lead a Fascist march on Washington. Whether or not all the statements made in this sensational charge are true, the fact is that in this way, and in only this way, could a dictatorship be established in the United States—with one qualification: Either a pledge of neutrality from the regular armed forces or their cooperation. Force and arms are in the hands of the regularly constituted authorities. It is only when authority goes over to the side of an unconstitutional organization that the danger of armed dictatorship develops.

In the recent cooperation of the regular forces of law and order with the so-called Vigilantes in California, the nation got its first real taste of what dictatorial Fascism would mean. When rioting mobs cooperate with authority, you have a duplication of what took place in Italy in 1922 and in Germany three years ago.

Certain circumstances which aided both Mussolini and Hitler to rise to power are now extant in this country—impatience with the several faults of parliamentary government, economic unrest, disillusionment, discontent, and even hunger. These elements are present, but there has as yet appeared no potential *Fuehrer*, no man—or woman—with dictatorial aspirations and, at the same time, personal magnetism and force enough to become a threat to the existing order. Millions of persons are signing membership cards of the many radical organizations which promise everything from a super-civilized utopia to an actual return to the primitive.

Still Danger of a March

General Butler's refusal to lead an armed march on Washington does not mean that there is no danger of such a march. The same elements which tried to conspire with Butler, demagogs of all sorts—the same elements which have been shouting "Dictator" whenever the Administration, in taking measures to rescue the nation from collapse, has trod on the feet of certain interests—the same group which shouts "Radical" and "Fascist" to cover up their sniping—these are now perhaps more interested than ever in having a "man on horseback" represent them in Washington.

Candidates for such a post are easily found. But there must be organization, money and men with rifles. The backers of dictatorships in other countries have never hesitated to employ veterans' organizations and patriotic societies. They have always conspired for the support or, at least, the benevolent neutrality of the armed forces of the state.

Although all reports agree that Naziism in all its forms, throughout the whole spectrum of colored shirts, is fading away in America, it is the opinion of the writer that the real danger of Fascist Hitlerism is greater than ever. Demagoguery marches on. Perhaps the real contender for the title of "American" Duce, or *Fuehrer*, has yet to appear. But if and when he comes, he will be, despite his flag waving and his "patriotic" organization, of exactly the mentality and character of the man who in Rome in 1923 signed his name to this statement:

"Let it be known then, once and for all, that Fascism has no idol, worships no faith; it has once passed and if needful will pass again over the more or less decomposed corpse of the Goddess of Liberty."

America in the past has chosen the much-maligned Goddess of Liberty and protected her with vigilance. America's enemy today is the Vigilante mentality. And the Vigilante mentality is exactly like the Fascist mentality. That is where our danger lies.

by setting up a sinking fund or making annual appropriations for retirement, within the useful life of the property, of the debt incurred for its acquisition. Failure to do this imposes upon future taxpayers the double burden of paying for both the worn-out improvement and the new one necessary for replacement.

Thus, many of the communities now engaged in the refunding or postponement of debt obligations will be paying for "dead horses" for a generation to come.

Borrowing Against Time

Time takes its inevitably steady toll on every municipality's physical facilities—school buildings, pavements, water supply and waste disposal systems, and other structures and equipment keep wearing out. Replacements and improvements are unavoidable, and account for a major share of capital expenditures. When obsolescence outruns such expenditures, prospective capital costs accumulate and multiply. This has been taking place in our municipalities, particularly during the last two years. While borrowings of over a billion dollars a year have exceeded debt retirement, they have gone in increasing amounts for the funding of operating deficits, the financing of unemployment relief and the refunding of maturing debt, and in decreasing amounts for keeping up with obsolescence.

The outlook for a rapid decline in municipal debt, therefore, is not encouraging.

That the full burden of municipal debt is now being felt, however, offers no justification for an attitude of irresponsibility toward meeting the obligations, particularly as resources for payment are evident in all but a relatively few communities.

It is vitally essential, for a number of reasons, to keep municipal credit unimpaired. Persons who visualize our local public debt as a monster parasite, wastefully dissipating our hard-earned incomes, are overlooking the fact that most of these borrowed funds have gone for physical improvements to make communities habitable, promote health, safety and growth, and provide facilities for the efficient conduct of business and industry. More money must be available for such purposes, from time to time, if a civilized level of existence is to be maintained.

Credit Must Be Maintained

With full payment from current funds out of the question in the near future, municipal credit must be kept good or the responsibility for running our local governments must be shifted to the state or Federal governments. It probably would be both unpleasant and unsatisfactory to surrender our system of local self-government to such bureaucratic remote control. That there are interests which would welcome the stultification of municipal credit as a means of halting the trend toward public assumption of basic community services which have been subject to private exploitation, is a further reason for its careful preservation. Should the present movement for the abolition of tax-exempt securities be successful, moreover, municipal bonds could no longer attract popularity as a refuge for the wealthy tax-dodger, but would have to stand exclusively on their investment merits.

Our Prodigal Cities

(Continued from Page 9)

That municipal debt has risen abnormally in the last decade, no one will question; but to say that it has become ruinously heavy, would be a gross exaggeration. Some economists are issuing warnings that our public debt has reached the "psychological limit", whatever that may mean; but the fact that Great Britain is carrying a debt nearly three times as heavy per capita as ours is some assurance that we have not done public borrowing beyond our paying capacity. Our cities of over 30,000 population had a tax-supported debt, at the beginning of 1934, which averaged $122 per capita, or slightly less than 9 per cent of the assessed valuation on which its support was mainly based. The distribution of this debt, to be sure, is uneven, ranging from only a few dollars in some cities to as high as $500 in two or three of the most improvident. The average, however, can hardly be said to constitute an excessive mortgage on the property involved.

"Political tradition" is the greatest barrier to any thoroughgoing tax reform, and officeholders, whether appointed or elected, usually are adamant to the point of being permanently stubborn about relinquishing any part of their expensive "official prestige".

Local public debt, it is true, can not be considered entirely separate and apart from private mortgage debt in appraising the debt load of any community. And, unfortunately, heavy municipal debt and heavy private debt, hand-in-hand, followed in the wake of the speculative real estate development of the 1920's. Advocates of municipal debt scaling, however, appear to overlook the fact that such obligations constitute a prior lien in relation to mortgage debt, and are entitled to preferential consideration both as a matter of law and of public policy. There are communities so hopelessly insolvent that the scaling down of both public and private debt is unavoidable, but they constitute the exceptions.

Despite the fact that municipal debt, in general, is not yet out of line with municipal resources, one conclusion may be set down with certainty: The accumulation of such debt has been so rapid, and the demand for further borrowing is so great, that it will not be paid in full without vastly more intelligent planning than in the past. Neither postponement of today's obligations to day-after-tomorrow nor legislative fiddling with arbitrary tax limits fills the requirements.

"Long-term planning" has been advocated by municipal specialists for years. It can be followed independently by each local unit of government, without delay for the handing down from above of some comprehensive scheme of general reorganization. Sometimes construed, in more prosperous years, as planning for long-term spending, it now resolves itself into the need for a sound integration of future capital improvement requirements with debt retirement requirements. This involves, in brief, the planning of physical needs a decade or more in advance; provisions, where possible, for at least partial financing from accumulated funds; and scheduling of borrowing, to avoid interference with retirement of existing debt. Only by borrowing less than is retired each year can debt be brought under control at lower levels. The locking of the proverbial stable door is also very much in order, to guard the public borrowing power against perversion to private speculative use when the next realty boom arrives.

Revolutionary Step

A somewhat more revolutionary step, one which present conditions necessitate, is the wholesale scrapping of a hundred thousand useless units of government. Our 167,000 or more local governmental areas constitute the world's craziest patchwork quilt. The State of New York, for example, includes 57 counties, 59 cities, 932 towns, 535 incorporated villages, 9,504 school districts and 2,467 special fire, water, lighting, sidewalk and other improvement districts, each with independent taxing powers.

From the point of view of public borrowing, the great majority of the country's crossroads principalities are too lacking in diversified resources to obtain low interest rates on their bonds; investors face the physical impossibility of securing essential credit facts; few communities have any knowledge of the extent of their obligations, which lie diffused among the various and sundry overlapping political subdivisions that comprise their local governments; and funds are dissipated by myriads of petty officials performing duplicating functions in antiquated ways. If economically integrated communities can be unified as to government, overlapping governmental jurisdictions merged, small political units absorbed by larger and more responsible units, municipal debt will take on the clearer identity which it requires for measurement and control, and will find a more diversified and stable background of resources for its support.

Municipal debt, finally, will not lose its uncertainties until there is a reallocation of financial responsibility and the substitution of a modern and equitable tax system for the present archaic relic of log cabin days.

State Aid Is Necessary

State aid for local government must be forthcoming in larger measure—through the assumption of functions which are of general, rather than local, concern and can be centrally administered with greater efficiency; through financial assistance in municipal functions which are of both general and local importance and necessity; and through state collection and sharing of certain taxes which are not susceptible to local administration. Accompanied by the requirement of performance standards in local financial planning, spending and quality of services, such steps can lead to greater financial and social security.

At the root of the local tax problem lies not only the excessive dependence placed upon the general property tax, but the astounding inefficiency of its administration in the great majority of areas. Consolidation of collection agencies and standardization of scientific assessment and collection methods under state supervision must go hand-in-hand with the relief afforded by state financial aid and sharing of other sources of revenue. State efforts, in turn, however, are to some extent vitiated by the overlapping, interference and diversity of state and Federal revenue systems, with resultant inequity, evasion and interstate pirating of industry and wealth. Even the local tax problem has such ramifications, therefore, that there is no fully adequate and equitable solution short of a coordinated system for the nation at large, based fundamentally on capacity to pay.

The problem of municipal debt is a disquieting one, particularly as little progress has been made toward its solution. But in scientific planning there reposes a vast reserve of resources, at all times available if we have the initiative and foresight to draw upon them.

Through British Eyes

BY SCHUYLER C. WALLACE
LITERARY EDITOR

ALTHOUGH designed for British consumption, *The New America* (Macmillan, New York. $2.50), by Sir Arthur Steel-Maitland, deserves to be read by Americans as well. Little of the material contained therein will strike the American reader as startlingly new, but it is interesting because it reveals an attitude of mind on the part of an English Tory which contrasts strikingly with the attitude so frequently exhibited by our own Tory contingent. Sir Arthur Steel-Maitland, be it remembered, was the Minister of Labor in the British Cabinet which broke England's general strike. And one might confidently expect that any analysis he might make of the recovery efforts emanating from Washington would be as devastating as Tory logic could conjure.

Such is not the case. On the contrary, the reader is impressed by the extent to which the author has kept his personal predilections in check, by the degree to which he has sought and achieved objectivity—a phenomenon rarely found in the realm of politics anywhere, and practically unknown in America.

Sir Arthur's contribution is of interest to American readers, however, not merely as a revelation of the psychology of a British Tory, but because he has hazarded certain tentative conclusions.

Unlike many American observers, he sees the New Deal neither as "coherent and organic parts of a well ordered program", nor, as its critics visualize it, as "nothing but a jumble of inconsistencies". As he surveys the American scene, the truth seems to lie between these two extremes. He finds it in no way astonishing that a program which has a fourfold objective—relief, recovery, reform and reconstruction—should have contained certain contradictory elements.

Wherein We Differ

Moreover, having discovered what so many of our own Tories seemingly never will discover—to wit, that the United States is not a single country in the sense that France or Italy is, but rather "a Free Trade Empire of seven great dominions, united for a common purpose, but differing from each other greatly"—Sir Arthur has found still further explanation of the internal inconsistencies of the Roosevelt program.

But what of the program itself? How effective, in Sir Arthur's opinion, has the New Deal been in attaining its objectives?

The material effect of the NIRA, as he sees it, has been that of a liability or, at the most, a negligible asset insofar as recovery is concerned. There was, he concludes, however, "real value in the psychological effect which it created, in the relief which it afforded . . . and in the reforms that have been introduced . . . If a dispassionate view is taken of all the facts and circumstances [surrounding it], the NIRA, with all its shortcomings, was preferable to the pain and uncertainty of a slow unaided recovery from the depths of the depression in which the country was sunk in March, 1933."

In this fashion Sir Arthur passes from one item to another of the recovery program, coming to the general conclusion that "the actual achievements of the present American Administration, although not startling, are substantial".

Of the future, he is certain. America is bound to recover. "How fast or how far it will go, will depend on the policy of the United States government both at home and in its foreign relations."

Competent though Sir Arthur's analysis is, *The New America* is by no means a great book. Underlying it is the unsupported, undiscussed postulate that, once having been resuscitated, capitalism will function as effectively in the future as it has in the past.

Nowhere does the increasing rigidity of the price system seem to bother him. Nor does the increasing difficulty of finding overseas markets for surplus manufactured goods give him pause. Equally curious is the fact that Sir Arthur has nowhere emphasized a factor in the British situation which has continuously differentiated it from our own—the fact that, by virtue of steeply graded and strictly enforced inheritance and income taxes, there has been and is taking place in England a redistribution of wealth which has been and is enhancing the purchasing power of the masses, while no such redistribution of wealth has been or is taking place in the United States.

Championing Capitalism

Sir Arthur does suggest, it is true, the development of a housing program in the United States along the line of the British model, whereby the reservoirs of private capital may be tapped and spending stimulated. He also suggests the cessation of all further governmental action which may shake the confidence of the business community. Needless to say, his thesis that a return of business confidence resulting from a policy of governmental inaction would in and of itself produce a burst of purchasing which would open the floodgates of prosperity, is at the best an unproved assumption.

Moreover, some of Sir Arthur's readers will find it exceedingly difficult to understand the process of reasoning by which he has reached the conclusion that a return to capitalistic normality would not be a return to the very same conditions which produced the late-lamented cataclysm.

Because of his failure to discuss these and numerous other questions Sir Arthur has fallen far short of producing a great book. However, it is very probable that he was not attempting to make a significant contribution to the literature of the depression.

As a survey of the New Deal from the point of view of the postulates Sir Arthur hypothecates, *The New America* is one of the most intelligent thus far to appear.

"America is bound to recover . . . 'How fast or how far it will go, will depend on the policy of the government . . .'"

The Books of the Week

The Popular Practice of Fraud, by T. Swann Harding. Longmans, New York. $2.50.
A well organized, lucidly presented account of the practice of fraud in contemporary society—one which should certainly contribute to the growing demand for further regulatory legislation.

Paprika, by Erich von Stroheim. Macaulay, New York. $2.50.
Purporting to be an analysis of "the sadism inherent in a woman's being", it is in fact a wild, weird tale of gypsy prophecy and gypsy love on the plains of Hungary.

Negro Intelligence and Selective Migration, by Otto Klineberg. Columbia University Press, New York. $1.25.
Neither the hypothesis that the more intelligent Negroes migrate to the North nor the tradition that Negro intelligence is in direct ratio to the intermixture of white blood seem to account for the superiority of Northern Negroes over Southern ones. Instead, the rise of "intelligence" seems to be roughly proportionate to the length of residence in a more favorable environment.

In Time of Peace, by Thomas Boyd. Minton Balch, New York. $2.50.
A bitter story of life in the roaring 1920's as seen by a small-town reporter.

Birth Control in Practice, by Marie E. Kopp. McBride, New York. $1.
A survey of ten thousand case histories taken from the Birth Control Clinical Research Bureau; primarily of interest to physicians.

Hard Country and Gold, by Clem Yore. Macaulay, New York. $2.
A thrilling tale of the far North, reminiscent of the stories by Rex Beach.

The American Way, by J. W. Studebaker. McGraw-Hill, New York. $2.
The United States Commissioner of Education discusses the Des Moines Public Forum and advocates the establishment of similar forums throughout the country.

Memoirs of a Small Town Surgeon, by John Brooks Wheeler. Stokes, New York. $2.50.
Memories of fifty years of surgical practice in a small Vermont city, of interest primarily to social historians.

Inflation Ahead, by W. M. Kiplinger and Frederick Sheldon. Simon and Schuster, New York. $1.
A consideration of the factors which have led the authors to conclude that a moderate inflation is ahead, together with some suggestions relative to investments.

TODAY

● Above, you see Mr. Harry Miller, the radio engineer, at a delicate and important task—testing the equipment of station WOR's new 50,000-watt streamline radio transmitter. Then you see him smoking a Camel. "A Camel," says Mr. Miller, "helps to relieve fatigue and smooth away irritability when the going is tough. I notice that many other radio engineers have also found out how enjoyable it is to 'get a *lift* with a Camel'! I never grow tired of Camels."

(Signed) HARRY MILLER

"WHEN THE SCORE is close, and a high run may mean victory and a championship... smoking a Camel gives me a 'lift' in the pinches, when I need it most!" (Signed) FRANK COPELAND
Billiard Champion

"CAMELS HAVE a flavor that I like, and never upset my nerves. A Camel gives me renewed energy. I never tire of Camel's mild, pleasing flavor." (Signed) BOBBY WALTHOUR, JR.
Six-day bicycle racer

"TRANSPORT FLYING takes stamina—vitality. When I get tired, I smoke a Camel. Camels help a lot in easing the strain and renewing my 'pep'!" (Signed) E. H. PARKER, Chief Pilot, Eastern Air Lines

"A LONG MORNING SPENT in a crowded department store is tiring. Smoking a Camel makes me feel livelier. Tiredness leaves me." (Signed) MRS. VAN BRUNT TIMPSON

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TODAY

Raymond Moley Editor · Vincent Astor Publisher

ON THE NAZI RACK

A New Series of Articles on Persecution in Germany

BY MILTON S. MAYER

GILBERT SELDES · EDWARD ANGLY
ERNEST K. LINDLEY · RAY TUCKER

AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS

Today's Mail

SIR: Whether we like it or not, we may as well recognize the fact that our government is going into business. It is obtaining partnerships and, in many instances, controlling interests in all types of businesses—production units, transportation systems, processing plants and even distribution services.

The disbursements of the RFC alone total approximately half a billion dollars and additional millions have been disbursed through other government agencies to farmers and small commercial units.

Some of these loans will be repaid, of course, but in hundreds of instances the government will have to assume almost complete control of businesses, just as it is fast approaching that point in regard to many of the railroads. Broken down into the proper number of operating units, governmental control *may* increase our national efficiency, *may* result in more actual wealth for all; that remains to be seen. However, it would be wise for us to recognize the swift approach of one form of socialism and to try to prepare ourselves for it.

KEYNES MILTON
Wilmington

G. O. P. Insomnia

SIR: Well, I see two more men have entered the race for the 1936 Republican nomination — Governor Hoffman of New Jersey and Glenn Frank, president of the University of Wisconsin. We, out this way, present at least three gentlemen who would like to run in 1936—Colonel Frank Knox, publisher of the Chicago *Daily News*; Colonel Robert McCormick, publisher of the Chicago *Tribune*; and ex-Senator Otis F. Glenn.

The real test among these three is whether one of them can overcome all opposition and unite a party that has not had one single night's rest for more than thirty years. I don't think Mr. Roosevelt need be worried much about any of these gentlemen yet, however.

C. O. R. HAMMOND
Chicago

Back to the Farm

SIR: One of our fundamental errors, one of the principal reasons why America is still floundering after more than five years of depression, is that we have removed our roots too far from the soil.

The Roosevelt Administration has recognized the problem, but the transplanting of a few hundred destitute city families to rural neighborhoods obviously is inadequate to meet the urgent need which we, the people, as a whole, overlook. It is necessary that a majority of us recognize the need, and once we do, our attitude will undergo a healthy change and we shall undertake to meet that need, to return to individual normalcy.

SYDNEY H. HAMEL
Cleveland

Plow Under the Taxis

SIR: Instead of breaking all the street car windows as one of your correspondents so naively suggested (TODAY'S MAIL, February 23), a better anti-depression idea would be to plow under every third taxicab. If we could only plow under the cabs which invariably disappear during rainstorms, this suggestion would approach perfection.

DUNCAN WHITTMORE
Detroit

Mental Relief

SIR: The amusing proposal in regard to breaking street car windows, which you published in your February 23 issue, has a degree of merit, despite its composite absurdity.

Whatever losses the window-smashing crusade might involve, it would be an outlet for a thousand pent-up urges which we civilized mortals have repressed within us. It would relieve a few of our mental tensions. To be sure, no orthodox psychologist could endorse it per se, but, from at least one point of view, it might be beneficial to many participants.

FRANK D. JOSEPHS
Philadelphia

Mocking Echo

SIR: We Americans display an alarming tendency to laugh at everything, whether it is funny or not. Certainly we have enough sorrow but we are only creating more when we attempt to take *all* things lightly. We laugh when we're puzzled, we laugh when we're afraid. We not only keep our chins up, we keep our mouths open and our ears filled with the sound of artificial merriment. Thus we frustrate thought processes, whatever they may be.

We have made several vague but general attempts to laugh away the depression—and the echo of our laughter returns to mock us.

Y. P. TUTTLE
New Haven

IN THIS ISSUE

NEXT WEEK

MORE and more of God's chillun are getting wings—but the aviation business is no bed of roses for anyone, builders, operators or flyers, as Ray Tucker points out in an article describing what is being done about it all by industry and government. And, speaking of trouble, Edward Angly concludes *Double Trouble*, which tells of the textile industry's woes. Fred C. Kelly stops to eat a meal with the Arkansas share-cropper and finds an exceedingly interesting story. Milton S. Mayer contributes the second installment of *On the Nazi Rack*. Sherwood Anderson visits East St. Louis and calls the resulting article *Nobody's Home*. We hope that you will like it as well as we do.

U. S. ARMY AIR SERVICE

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The Job of Finding the Right Answers

To the question, "What sort of entertainment does the public want?" there are many answers—*some* of which have been proved correct. One of the right answers is Ethel Waters, the dusky, husky-voiced musical revue star shown at right as she delivers one of her hit numbers, *Heat Wave*. Another correct answer is the Casino de Paree floor show, elaborately staged cabaret presentation, a scene from which is pictured above. But, until confirmation is received from the boxoffice, or its equivalent, any new answer to the entertainment question is a guess, nothing more. Gilbert Seldes, columnist, author of *The Seven Lively Arts*, writes the third of a series on changes in the ever-changing amusement world, on Page 6. Both of these pictures are from the camera of Remie Lohse.

TODAY

RAYMOND MOLEY, EDITOR — AN INDEPENDENT JOURNAL OF PUBLIC AFFAIRS — MARCH 23, 1935

MARGARET BOURKE-WHITE

Four hundred thousand persons work in America's cotton textile plants—when there is work to do. And despite the code, they are poorly paid. Their employers are having their own difficulties. Cotton is higher, competition is increasing, demand is decreasing

Double Trouble

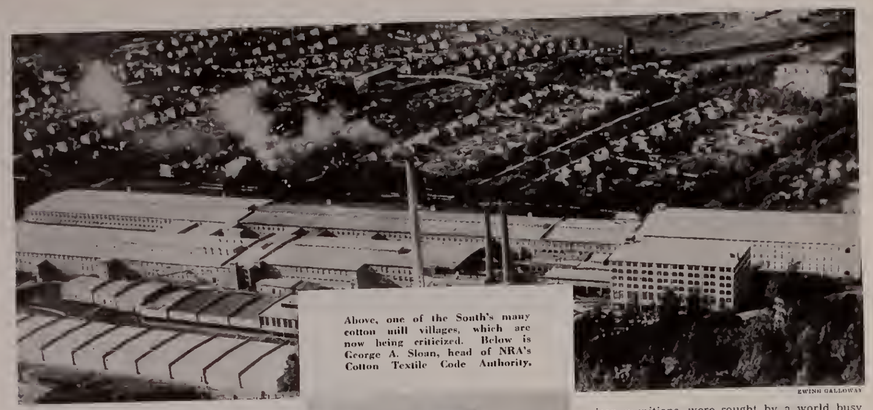
BY EDWARD ANGLY

THE cotton textile industry, which employs more persons than any other single branch of manufacturing in the United States, has had a serious relapse. Since 1923 this important basic industry has suffered from chronic economic indigestion. In the early days of the New Deal it swallowed, gladly and hopefully, the very first spoonful of NRA tonic. For a while the industry perked up. Rising prices acted as a stimulant for a full year. But late last Summer there was a let-down. A reaction set in. Since then the industry has shown almost all the symptoms of the ailments which kept it abed most of the time during the 1920's when other manufacturing industries were enjoying what passed, in those thoughtless years, for good health and prosperity.

During the past eight months, red ink has been displacing black on the ledgers of an increasing proportion of the 1,400 establishments which make up our cotton textile industry. Considered in the aggregate, they have been operating at a loss since the month of July. Consequently, unemployment has been on the increase among the mill workers, who total more than 400,000—a larger group than those enlisted on the payroll of America's industrial bell-cow, steel and iron.

The fundamental trouble with the patient is overcapacity, complicated by a seemingly irresistible impulse to overproduce. A shorter and uglier word might sum it up better—the word "greed". But this trouble is complicated by myriad variables, each of which contains germs capable of developing disorders and deficits. These range from the vagaries of sudden changes in the style of window draperies to the problem of competing with a man who buys a mill off the auction block for one-tenth of its replacement value. They

"The hill farm families move to town, and all except the smaller children become mill workers, entirely dependent on the industry."



EWING GALLOWAY

Above, one of the South's many cotton mill villages, which are now being criticized. Below is George A. Sloan, head of NRA's Cotton Textile Code Authority.

INTERNATIONAL

range from the depreciation of currencies to the whims of women at the counters of department stores. To get on in almost any branch of the cotton textile business, a mill owner must be not only a manufacturer, but also a sagacious, not to say lucky, speculator and a good guesser.

So complex are the cotton textile industry's ailments, so peculiar are the economic eccentricities of this anaemic sister in the manufacturing family, that not a few mill owners are wondering whether anything short of government control can put the semi-invalid on her feet and keep her there. They tried a gentlemen's agreement among themselves back in the New Era days, and that didn't work. They were the first to adopt a code under the New Deal.

Nearly everyone concerned admits that the code has been a vast help, but the feeling is growing that an even stronger disciplinary measure—a more severe diet, a harsher nurse—must be employed before the cotton textile industry can recuperate from its long illness.

Save for brief periods in 1927 and 1929, and in the last half of 1933 and the first half of 1934, it has been a sick industry most of the time since the first post-war let-down in demand. According to Federal income tax returns, the industry as a whole piled up a net loss of more than $77,000,000 between 1926 and 1931. In the year of 1932 the deficit increased by approximately $60,000,000—despite the long hours and notoriously low wages to which its workers were subjected.

The ephemeral spurt of buying orders in the Summer of 1933 provided profits for a while for almost everyone in the industry. In retrospect, it appears that most of these profits came from inventory advances. Once the cheaply-made held-over goods had been disposed of at the higher prices achieved through the NRA, the pegging of raw cotton quotations and the processing tax, the industry as a whole began to limp again. It hasn't slipped back all the way, but it has retrogressed.

A survey which was ordered by President Roosevelt following the textile strike of last September and the investigations conducted by his mediation board have shown that the 409 establishments covered by the study earned net profits during the first six months of 1934. These were not large profits—they averaged 1.82 per cent return on the investment. But in July and August, it was revealed, the industry again became spotted with deficits. The spots of red rash have since become thicker and deeper. Capital and labor alike agree that, without the code, conditions would be far worse. There are some manufacturers who would like to wring the Blue Eagle's neck, but few of the cotton textile men are among them. How to change the code, when the NRA is extended, is a question, however; and the solution of it keeps many a brain buzzing sleeplessly these Spring nights. So does the increasing fear that, before another year has rolled by, labor may rise and strike again. Reams have been written about poorly-paid workers who tend the spindle and the loom. Many of the cries raised to high heaven, to Washington and to the public conscience on their behalf, were well justified. Less has been said for the capital which also has found itself underpaid and undernourished in the cotton textile industry.

The patient's case history is a long one, but it should be scanned to understand the complications which today are evident even to a layman. The story may begin with World War days, when American textiles, like American munitions, were sought by a world busy with destruction. The industry overexpanded its facilities. For various reasons (or for lack of reasoning), it has not been able to contract them. As fast as it waned in New England, it waxed in the South. No sooner was one mill dismantled than another was built. Nor did bankruptcy (in the 1920's, as in the 1930's, a frequent occurrence among the spinning and weaving establishments) serve to reduce productive capacity. Rather, it tended to increase it, for either under a receivership or in the hands of a purchaser who had bought it cheaply, a mill went on whirling out yarn or cloth, its capital cost having been largely squeezed out in the wringer.

To compete with these establishments enjoying low fixed charges, the others were forced to operate their machines for longer periods. Although the number of spindles declined from 37,900,000 in 1925 to 31,400,000 in 1933, production did not decline. The mills which survived the storm simply increased their facilities for a second shift. Increased production in one plant bred more production in another. By following this vicious circle long enough, one comes around again to bankruptcy. That is what the textile industry has been doing, and it hasn't stopped yet. How often, in recent weeks, have the newspapers reported the closing down or the liquidation of mills, both in New England and in the South! Some of the finest mills in the land have been torn down to save taxes.

It is a painful characteristic of the textile industry that the tendency to overproduce is encouraged almost as much by a fall in the price of raw cotton as it is by a rise. In a rising market, the mill overproduces in an eagerness to make hay while the sun is shining. When the price of raw cotton is declining—and with it the prices of finished goods—the mill management feels obliged to cut costs. One method of doing this is to get more goods out of the machines by running them for longer hours. In the end, the result is the same—production increases, prices plunge and the weaker establishments go under. Somebody buys them at ten or twenty cents on the dollar, and competition becomes fiercer than ever. The code has served to slow down the revolutions-per-minute of this cycle, but it hasn't been able to stop it.

Once the war boom was over, it was the terrific struggle to reduce costs which kept night-work in the industry. Before the war,

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Says Lewis of Maryland: "Property rights have legal sanctions, but the even more fundamental right of a man to earn his daily bread has no legal substance or protection. We must share the work instead of giving it to a few on the basis of favoritism."

Granddaddy of Security

BY RAY TUCKER

Representative Lewis sponsors bills at first considered too radical, but usually adopted... He has a new one which will cause much talk

PHOTOGRAPH FOR TODAY BY GEORGE LOSS

WHEN Representative David J. Lewis was nine years old, he went to work in a coal mine in central Pennsylvania. He did not think the event remarkable, for this was in 1888, and the hardy Lewises of South Wales and Pennsylvania seemed to have been born to the blackness and hardships of the mines. His father entered them at the age of seven, his grandfather, at six. So young "Davey" Lewis hacked at the veins of anthracite Winter and Summer, and the only difference between the labor of adult and child was that "Father had a big pick and shovel and I had a little pick and shovel." The youngster accepted his job as fatalistically as he did the poverty and the squalor of the community. Even when he was hauled from a pile of loose coal more dead than alive, this was only a hazard which all miners expected—and hoped to survive. Even now, he does not let bitterness creep into his tones as he discusses these beginnings.

But society's neglect of the boy-miner has had an interesting sequel. It made him one of the most radical and advanced social thinkers and planners on Capitol Hill. It has inspired him to sponsor legislation in this and past sessions which is slowly revolutionizing the system under which he struggled and suffered. Whereas some officeholders choose to forget the place and people whence they sprang, Mr. Lewis' legislative career shows the marks of his early experiences as vividly as do his knotted hands. The shadows of his youthful memories, visions and imaginings encircle him, though gently and kindly. And he has fortified remembrance with careful studies and first-hand investigation of economic and industrial problems here and abroad. Not all his proposals have become law, but he has proposed many advanced ideas, both inside and outside the House of Representatives.

The Administration's social security program, with its pensions for the aged and the ill and the unemployed, derives directly from the four-year-old Wagner-Lewis unemployment insurance bill. The Guffey proposal for investing the government with regulatory power over the coal industry is a diluted form of the Maryland member's measure for providing a decent return to operators and "a reasonable living wage" to the miners. The provision in the Clayton Act which exempts labor unions from the prohibitions of the anti-trust laws is his handiwork. It is not too much to say, as his colleagues do, that this gnomish, intense figure, whose almost fanatical impulses contrast sharply with his plain, rumpled suit and his heavy, steel-framed spectacles, is the grandaddy of social legislation on Capitol Hill.

Congressional slowness in enacting his ideas does not irk him, for he possesses the stubborn, patient, tolerant spirit of a minor prophet. Nor does the criticism of cynics discourage him. He faced even more serious opposition when, as a new member of the Maryland Senate in 1902, he fathered the first workmen's compensation law passed on this continent, and again when he sired the Parcel Post system more than twenty years ago.

He is content to sow the seed in the legislative wilderness, and to let others nurture it. Indeed, now that his earlier proposals for social insurance and stabilization of the coal industry appear to be moving toward the legislative stage, he has prepared an even more revolutionary measure for the protection of the workingman.

He calls it the "Thomas Jefferson bill". It would guarantee to every man "the right to work", and it proposes penalties for groups of employers or employes who, for any reason whatever, seek to deprive a man of a chance to earn a living. It sounds visionary, and so it may be. But "Davey John", as he refers to himself with the calm objectiveness of a child or a historian, has been seeing visions ever since he dug coal from the hillsides.

Under his latest proposal, an unemployed worker would have a legal as well as the admitted moral right to a job. Unless he were so old or incapable that he was eligible for a pension, employers and employes would have to make a place for him. Even when there is a surplus of labor, he insists that all the work available must be shared among those willing to perform it.

"Property rights have legal sanctions," he says, puffing at his straight, black pipe as he paces the floor of his hideaway quarters in the House Office Building. "But the even more fundamental right of a man to earn his daily bread has no legal substance or protection. I say that we must share the work instead of giving it to a few on a basis of seniority or favoritism. They don't segregate or share dividends as they do labor, do they? They don't hand out dividends on the seniority basis, do they? No! And why not? Because the complainants would run right around the corner to the nearest courthouse, and the first judge they met would issue a writ."

Mr. Lewis is a Democratic radical, and perhaps the closest political affinity of Senator George W. Norris in either the House or the Democratic party. His is a living philosophy

(Continued on Page 17)

REMIE LOBEL

What might be termed an epidemic of fan dancing struck the entertainment world, following Sally Rand's success at Chicago's Century of Progress exposition, and dancing girls (complete with fans, if little else) were presented to the public, individually and by the bevy, as shown above.

Stand Up and Kick

BY GILBERT SELDES

The public, after all, gets about what it wants in the way of entertainment—and if the public wants a change in quality, this is as good as any time to speak its mind

ENTERTAINING the American people has always been a business, and it was most romantic when it was not a particularly profitable business. A member of the Actors Equity, quarreling over a contract, is not nearly as glamorous as a trouper on the Gold Coast—but the trouper was at pains to make the audience yield up its gold. The syndicates in the legitimate theater, circuits in vaudeville, wheels in burlesque, represented the "trust" phase of the amusement business. Like other trusts, they squeezed out the little man, and where the industry could not stand the strain, the organization has been blamed for the failure. And, like other trusts, the combines in the amusement field have always been in peril of the creative or inventive genius of the American people. If a mechanism could drive a motor car, there was no reason why a mechanism should not distract the mind.

The penny-in-the-slot moving picture was one of these mechanisms, which, because it developed into the great moving picture industry of today, has encouraged the others. And the possibility of stampeding everybody into playing the same game was tempting enough in the great decade of advertising and publicity, the 1920's. There probably were vested interests behind the game of bridge, just as there were publishers behind the cross-word puzzle, and half a dozen manufacturers behind miniature golf. A game which leans toward sport, on one side, and employs an ingenious mechanism, on the other, seems to be ideal—to the manufacturer.

At the present moment, the most successful novelty is the pin-and-ball game, at which thousands of men, who want to "go somewhere" but do not propose to spend a great deal of money, now entertain themselves. I do not know on what theory their way of spending time can be eliminated from the field of amusement, unless one prefers to class what they are doing as a sport, which, I think, the manufacturers would approve. The pin-and-ball game began as the simple old bagatelle board, on which the player used a stick to run a steel ball up a grove so that, after hitting a certain number of pins, it fell into a place bearing a number, usually from 10 to 100. The commercial exploitation of this game required, first, that either the balls or plunger should not be free until money had been deposited in the slot, and the next step was to make the plunger at least semiautomatic, that is, it is fixed in place and works on a spring, and the only skill required is the knowledge of how far to pull it out, in order to send the ball spinning in such a way that it will fall into the most profitable hole.

The physical development of such boards closely resembles that of Tom Thumb golf, in vogue several years ago, because the hazards are dramatized so that in one type, the ball actually flies over a trapeze; in another, designed by Red Grange, the entire board suggests a football game; and in a third, the Army and Navy are represented on the field.

The success of the pin-and-ball game would suggest to some serious observers that the appetite for active participation in entertainment has not been killed by the movies and the radio. Actually, such games are closer to pool and bowling than they are to the theater; in spirit, if not in fact, they are close to playing dice, in which, also, enthusiasts assert, skill is an important element. The significant thing is that even in the field of highly-mechanized entertainment, new things are invented; and, just as four years ago, people interrupted their aimless motoring to play miniature golf, so they stop now on their way to a movie to play five or ten games of pin-and-ball, and perhaps make a side bet with a companion. There is always the possibility that some such form of distraction (if you cannot call it entertainment) may, for six months, take away enough people from the movies and the radio to become a definite threat. All forms of entertainment in which the overhead and investment are enormous stand perpetually in this danger. I do not consider it at all likely that half of the regular patrons of the moving picture would

Costumes, music, scenery and even dance routines change, but the chorus girl goes on, in the American theater. A dressing room scene is shown at right.

REMIE LOBEL

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Even radio—which seems to us so fixed in its formula of sponsored commercial programs with famous stars, somewhere between seven-thirty and ten every evening—cannot be absolutely sure of its ground. Small stations combine again and again into networks, but the local station is, so far, a practically unexplored possibility.

In New York City this past Winter, Major Bowes, directing Station WHN, created an amateur hour in which dozens of aspirants to radio fame were heard, a gong rung by the Major taking the place of the theatrical hook. Both talent and lack of talent proved vastly entertaining, so much so that in New York City this hour provided serious competition for the sponsored programs appearing at the same time on the networks.

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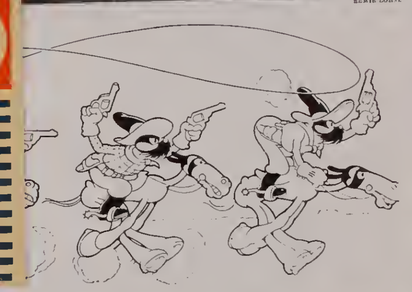

pages by Mickey Mouse, who made America laugh despite the depression.

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It may help our sense of proportion to remember that the sponsored broadcast is a comparatively new thing, even in the comparatively new radio business. It was devised and invented by the late George McClelland only a short time before the depression struck the United States, and as a result, the principal radio stations did not actually feel the depression until two years after it began, and even then

(Continued on Page 18)

COLYER

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BEVIS LOUIS

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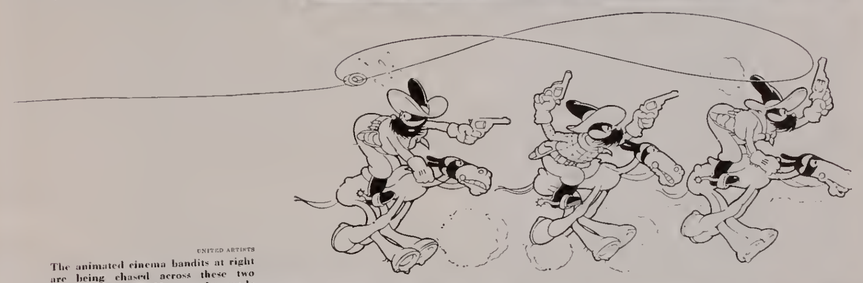

UNITED ARTISTS

The animated cinema bandits at right are being chased across these two pages by Mickey Mouse, who made America laugh despite the depression.

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CULVER

Fred Allen, radio comedian, really isn't as displeased as he looks as he listens to Gracie Allen and George Burns sing. . . . Fred is *not* Gracie's brother.

On the Nazi Rack

BY MILTON S. MAYER

THE German government's persecution of Jews has been condemned out of hand as an insult to humanity. The deceitful simplicity of the issue has made rank emotionalists of thinking people. Germany has been found guilty with no more of a trial than Germany itself appears to have given the Jews, and the verdict of world opinion has cost Germany its trade and its hard-won reputation as an honorable nation. But the National Socialist experiment in anti-Semitism goes straight on into its third year.

With the double interest of a professional observer and a Jew, and with a newspaperman's skepticism of what he reads in the papers, I went to Germany to find out for myself, first, what has happened to the half-million Jews of Germany; second, why a nation so rich in literacy and culture has taken so dark a step; and finally, what will become of the Jews if National Socialism rules Germany for a generation.

I found that after two years of what the National Socialist Party Program calls "practical application of the anti-Semitic treatment", the Jews of Germany are crushed. It is not their economic and physical suffering, but their spiritual collapse which seems to me significant. For the "eternal Jew"—eternally optimistic—has been broken by Nazi Germany.

He has awakened from a century of liberty to discover that his chains of a thousand years ago have not even gathered rust. It has been too much for him. His pride and his faith are gone. He has resigned himself to his classification as the Untouchable of German society, the unforgivable alien. His only ambition is to exist somehow.

In the cities, his lot is not as bad as it is in the villages. In a community of half a million or a million people, he can lose himself. When the swastika goes by, he can turn a corner and avoid the dilemma of saluting and getting into trouble or not saluting and getting into trouble. There are enough shops and cafes still operated by Jews so that he does not have to enter a place where *Heil Hitler!* has replaced *Guten Tag*.

The Jews of the cities now have their own schools, where their children do not have to learn to hate the Jews. Of course, they support these schools themselves, in addition to supporting the public schools. In general they avoid public places—the "Aryanized" opera, drama, cinema, and the cafes. For entertainment, they visit each other, or spend their evenings in cafes owned by Jews and patronized only by Jews.

Life in the cities is still livable for those Jews whose livings have not been taken from them. In Berlin (where more than one-third of Germany's Jews live), in Frankfort, in Hamburg, in Hanover, and in Stuttgart, the Jews have been a happy and important element of the civic and social life for a century, and anti-Semitism has never attained the blatant power it enjoys in Dortmund, Dresden, Breslau and Cassel. But even in these latter cities—in the impersonality of the city life everywhere—the Jews, fortified by the companionship of Jewish communities, are able to live on in some semblance of dignity.

It is in the villages that the triumph of the "anti-Semitic treatment" is complete.

In all the *Doerfer* of Germany there are only 50,000 Jews. The average number of Jewish families in a *Dorf* is from two to five. Almost without exception, they have lived in the same *Dorf* for centuries. They formerly farmed and raised cattle and chickens and frequently kept small shops. Their economic and social positions were neither better nor worse than those of their neighbors.

Then came National Socialism, sweeping the villages as it could never sweep the cities, taking over the village governments, together with all social and educational activities, installing its espionage at every doorstep. Village gates are easily closed. Even the few scraps of world news and outside opinion which sift through the fingers of dictatorship and reach the cities, never penetrate into the back country. The German peasant today knows only what Dr. Goebbels wants him to know and when Dr. Goebbels wants him to know it. And Dr. Goebbels wants him to know that the Jew is a member of a hated race and the source of all the Fatherland's troubles.

The first part of my visit to Germany was spent in the cities. There, I observed the community isolation and the collective despair of

THE spirit of the "eternal Jew" has been completely broken by Hitler's Nazis, says this author, himself a Jew, foreign correspondent, Chicago newspaper man and magazine contributor. "It is not the economic and physical suffering of the half-million Jews in Germany, but their spiritual collapse which is of the greatest significance. . . . Their pride and faith are gone. They have awakened from a century of liberty to discover that their chains of a thousand years ago have not even grown rusty." This is the first of a series of articles, written following a recent trip through Nazi Germany.

the Jews. I saw the economic strangulation of the middle-class professional Jew who had been driven from his profession by ministerial edict or boycotted by the party-state's reorganization of professional bodies. I studied the plight of the student whose future had been wrecked by his dismissal under the "Aryanizing" of the schools and universities, by his exclusion from all scholarships, or by his abandonment of the study of a profession which he knew he could not enter. (In Berlin the *hochschule* enrolment of Jewish boys and girls was cut from 3,950 to 150.) I found the minor employe—the clerk, the salesman, the factory worker—eliminated in the compulsory "unification" of the German employer and employe in Dr. Ley's "Labor Front".

But the Jews walked the streets unharmed and very rarely insulted. The Jewish shopkeepers were still earning a living. Wertheim's and Israel's department stores were crowded. And the wealthy Jewish manufacturers and wholesalers, as members of the class that sponsored National Socialism as a protection against bolshevism, were no worse off than the great "Aryan" landowners and industrialists who were being pinched by the economic stress of the country. The Jew of the city might be without happiness, or even without hope; but he was still alive.

One Sunday afternoon a few weeks ago, I walked down the principal street—a cobbled road—of a *Dorf* in southern Germany. With me was an elderly Jew. His family has lived in that village since 1620. His home is a one-story stone house with the stable attached. My companion walked with his head down, raising it to say "*Guten Tag*" whenever we passed an elderly man or woman walking in the opposite direction. These men and women were also villagers. Their ancestors and my companion's ancestors had ploughed fields and drunk beer together—and died together for Germany. Some of them, this day, answered my companion's greeting with an abrupt "*Tag*". Some of them nodded. Some neither answered nor nodded.

As we approached the town square, I saw a group of boys, fresh from church, talking and laughing. They ranged from about eight to fifteen years old.

We entered the square and the group of boys fell silent. All of them turned and stared at us as we approached and passed. Then they spoke. Their words were intended for the old Jew. I caught *Juden, Schwein, Rindvieh*—Jew, swine, cattle.

My companion walked on, his head down. The stump of his right arm swung awkwardly. In his coat lapel was the black-and-white bar that symbolizes Germany's designation of her heroes—the Iron Cross.

Four years ago, this man and his wife had been married exactly twenty-five years. In the middle of the night before the *Jahrestag*, the townspeople had come to their home and decorated it with flowers, inside and out; not just some of the townspeople, but *all* of the townspeople.

This man has not been beaten or murdered by the Nazis. His house has not been stoned. With the help of "traitors" among the non-Jews who come to him at night and buy produce from him, he is able to go on living. But I did not realize what had happened to the Jews of Germany until I walked through the town square with that aging man that Sunday afternoon. The Germans used to teach their children *von klein auf*, in the great German tradition that age must be respected. Today, there are new German traditions. The swastika flies everywhere in the *Doerfer*, the brown-uniformed Storm Troopers, visibly reduced in Berlin since the blood-letting of June 30, fill the village streets and cafes. The boys are in brown shorts, the girls in brown middies. In the windows of shops owned by non-Jews is the mandatory insignia, *Deutsche Geschaeft* (German Store).

It is true that violence in the *Doerfer* is not as widespread as it was before June 30. But hideous rumors are still heard—heard so insistently that no one traveling through Germany can ignore them. But they are impossible to verify. Germans may shudder, but they do not shudder aloud. The nation's press has become the National Socialist press—even the great Frankfurter *Zeitung*, the control of which has passed from the Jewish family that founded it, the Simons, to a group of

"Placards warning German gentiles not to trade with Jews are displayed near Jewish-owned stores . . . In front of railroad stations, hotels and restaurants are signs which read: 'Jews Are Not Wanted Here'."

"Aryans". Foreign correspondents have to be willing to "prove"—that is, reveal the source of—their information, or leave the country.

A foreign observer, visiting in the cities or traveling the beaten tourist tracks in Germany, sees little out of the ordinary except the number and variety of uniforms and the number and uniformity of flags. But wandering through the Germany that seldom sees a tourist, at the entrances of villages I discovered signs reading: *Juden sind hier unerwuenscht*—"Jews Are Not Wanted Here". In town squares, in front of railroad stations, hotels and restaurants, the placards are more businesslike: "Jews Enter This Town at Their Own Risk". And alongside stores owned by Jews: "He Who Buys from a Jew Is a Traitor to His People".

These placards are more than incitement to economic persecution; they inevitably incite violence. The dread of the ever-imminent pogrom is manifested in the abandonment of their shops and stores by Jewish villagers, and by the complete evacuation of villages by those Jews who are willing to go anywhere in a hostile country rather than stay where they are. In the past two years there has been a steady movement of these pilgrims—setting out even in old age—to the large cities, where they find spiritual relief—and physical hardships.

The fountainhead of the *Judenhetze* is lovely old Nuremberg. And the narrow little roads in Nuremberg all lead today to Julius Streicher, seen most memorably standing in the lobby of the principal hotel, horsewhip in hand, his lieutenants around him. Herr Streicher, "Party Leader for Franconia", "Spiritual Commissioner for Franconia", "Nuremberg Police President", is now the master of anti-Semitism.

One of the several party chiefs who has risen rapidly in the publishing business, Herr Streicher, devotes one of his two newspapers, *Der Stuermer*, entirely to the Jews. *Der Stuermer* is circulated throughout the country, but Herr Hitler, for reasons of his own, has ordered that no copy shall go out of Germany. Herr Hitler publicly ordered an entire issue suppressed after the Archbishop of Canterbury had attacked Streicher's revival of the ancient "blood ritual" accusation against the Jews; and ordered the suppression of another issue after Streicher had written that President Masaryk of Czechoslovakia defended a Jew on trial for "blood ritual" murder in Poland thirty years ago.

On this second occasion, *Der Stuermer* was published on a Friday, ordered confiscated

(Continued on Page 23)

NRA's Stepchildren

BY ERNEST K. LINDLEY

DONALD R. RICHBERG has recommended that Congress, in drafting the new NRA, recognize that certain fields of business are intrastate in character and not subject to Federal regulation under the interstate commerce clause of the Constitution. Just where Congress and the Supreme Court will draw the line between intrastate business and those business and industrial activities which may be regulated by the Federal government, is an open question. But it is clear that the types of business least closely related to interstate commerce are the service trades.

From the very outset, the service trades were one of the thorniest problems which the NRA had to face. They embrace many thousands of small enterprises. They are found in every community in the country. The legal and practical obstacles to their codification were obvious. It is difficult to show any competitive relationship between a hotel or a barbershop or a poolroom in Mobile and a hotel or a barbershop or a poolroom in Butte. It was clear from the first that enforcement of codes in these fields had to depend chiefly on local public opinion.

With all of his determination and enthusiasm, General Johnson undertook the codification of many of the service trades with genuine misgiving. Seventeen different codes were written in this category. In a general way, what happened is now well known. Consumers rebelled against the prices fixed in some of the codes. Many small business men rebelled. The problem of obtaining compliance swamped the NRA, its service trade code authorities and the Department of Justice.

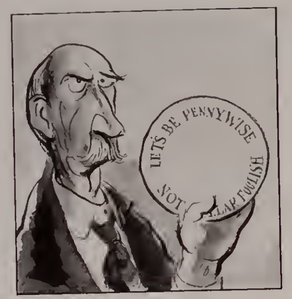
More than anything else, the service trade codes gave rise to the cry of "regimentation". Under the New Jersey State NRA, the attempt to fix prices resulted in several fantastic convictions—including that of the tailor who employed no labor but was convicted for pressing a suit for less than the code price. As early as January, 1934, the NRA was trying to find a way to extricate itself from the service trade mess. In May a major retreat came in an executive order staying all except the labor provisions in most of the service trade codes.

In retrospect, it can be asserted with considerable truth that the venture into codifying the service trades was the major cause of the Blue Eagle's loss of prestige. Responsible men in the Administration do not want to try to revive this venture, and it is evident that a large body of opinion in Congress concurs in that view.

It would be erroneous, however, to assume that there was no good reason for the inclusion of the service trades in the scope of the NRA. The impression given by some commentators that the codification of the service trades arose from some urge within the Administration to meddle or regiment was, of course, wholly without foundation. The impelling force was the need for protecting labor. Approximately three million workers are employed in the codified service trades and industries. Half of these are employed in five trades—restaurants, hotels, laundries, cleaners and dyers, and beauty shops and barbershops.

Taken as a whole, these three million workers were probably the least protected section of labor in the country. Exceptionally long hours and exceptionally low wages prevailed in many of the service trades. In embarking on a campaign to shorten hours and establish a minimum level for wages, the NRA could not ignore these three million workers. This was the factor which led General Johnson to include the service trades in the Blue Eagle program.

Price fixing followed, because it was widely held that without price fixing in a number of highly competitive lines it would be impossible to enforce the wage and hour provisions. There were other special reasons for price fixing in some of the codes. It was thought that legalized price fixing in such lines as laundries, and dyeing and cleaning, would help to drive



Elmore K. Puddle, originator of the PPP (Penny Prosperity Plan). Mr. Puddle's plan to end poverty is to put the country on a copper standard and coin quadrillions of new pennies. "Besides aiding the mining and smelting industries," he says, "and the makers of mining and smelting machinery, it would cause a boom in the steel plants, which supply the latter. Construction would benefit by the erection of thousands of new mints, all situated at least a thousand miles from the source of raw materials, which would also give the railroads a break. This in turn would be a boon to our insurance companies, savings banks, widows and orphans, traditional holders of railroad bonds. The weight of the new currency alone would cause a thousandfold expansion in the pants-pocket industry. And we've barely scratched the surface."

out racketeers who had been attempting to sustain fixed-price systems in many cities by illegal methods. But the major argument for price fixing was that it was necessary to protect the benefits accorded to labor, which is a larger element of cost in most of the service trades than in almost any other type of business. Quite contrary to the impression given by the high percentage of noncompliance, by the NRA's somewhat disorderly retreat, and by the present disposition in many quarters to abandon all efforts at Federal regulation of these trades, the service trades codes, as a group, have yielded substantial benefits to the workers.

The Bureau of Labor Statistics has found striking changes in the status of labor between July, 1933, and July, 1934, in hotels, laundries, and the dyeing and cleaning business. During that period, under the NRA, per capita weekly earnings increased 7.8 per cent for hotel employes, 9.2 per cent for laundry employes, and 12.1 per cent for workers in the dyeing and cleaning industry.

Total payrolls increased 23.1 per cent in hotels, 16.2 per cent in laundries, and 17.8 per cent in cleaning and dyeing. And these gains were all the more important because they accrued to workers suffering from exceptionally long hours at very low wages.

There has been a high percentage of noncompliance, but the available facts indicate that the degree of noncompliance has not been so great, under many service trades codes, as the percentage would lead one to suspect. In many of the service trades, there are employers who do not comply fully with the wage and hour provisions but who, for one reason or another, have tried to get within approximate range of these provisions.

A check on compliance with the code of the restaurant trade was made by the Women's Bureau of the Department of Labor. It covered some five hundred establishments representing a cross-section of the United States. This check showed that 60.9 per cent of the employes were receiving weekly pay in accordance with code provisions, 90.2 per cent were benefiting from the spread of hours and 92.7 per cent were enjoying a six-day week.

The legal and practical difficulties have been great, enforcement has been far from perfect, but labor has made marked gains under many, if not all, of the service trades codes. In view of that, labor necessarily will fight to maintain the NRA coverage of the service trades. Congress will not be able easily to ignore the welfare of three million workers. The most practicable substitute may lie in state NRA laws, but the past history of many states in the field of social legislation does not stir the hope that they will promptly take such action. An attempt to omit these workers from the new NRA is likely to give new strength to the movement for a national minimum wage law. Certainly the problem cannot be disposed of by the negative act of omitting the service trades from a revised NRA.

CARTOONS BY CARL ROSE

Walter Balderash, leader of the National Pension-Off-The-Young-Folks League, says: "Pensioning the old and the infirm as a means of recovery is poppycock. The elderly do not know how to spend. Now our plan of a monthly four-hundred-dollar pension to persons between the ages of sixteen and twenty-five would eliminate that problem. This group really could spend the money. Furthermore, habits of extravagance incubated during the period of the pension will persist through the life of the individual, and our consumption problem would immediately be solved just as we have already solved the problem of production."

Leave to Print

BY
ANNE GORDON SUYDAM

THE other afternoon, while strolling through the Capitol grounds, I came upon a rotund figure clad in an amorphous morning coat, a starched white vest, an oscillating watch-fob, and a broad-brimmed black hat. It might have been one of those literal marble statues of the statesmen of the 1870's, upon which tourists still gaze with awe, come gratifyingly to life. As a fact, it was none other than our jovial old friend, J. Thomas Heflin of Alabama, once considered a disgrace to the United States Senate and a menace to the Republic.

It is amusing to recall those bright afternoons when Mr. Heflin filled the galleries with his attacks on W. P. G. Harding, sometime Governor of the Federal Reserve Board, and his denunciation of the naval church pennant as the "Pope's flag". The perspective of time and a comparison of demagogic values make Tom Heflin seem almost a statesman. His appeal to whatever prejudices were readiest at hand, his picturesque invective and his sometimes courageous catharsis of the ethical sense of the Senate now seem harmless, innocent and even useful.

In the same Senate where Mr. Heflin once denounced jurors for acquitting E. L. Doheny of a bribery charge, Mr. Borah now denounces them for convicting Bruno Richard Hauptmann of murder. Times indeed have changed and the Senate, like all human institutions, has changed with them.

In place of the genial Tom from Alabama, the Senate now has Kingfish Long from Louisiana; and the same radio stations that suffered nervous collapse at the idea of that "dangerous revolutionist", Robert M. La Follette, Sr., assailing the corporate ether in 1924, now offer Mr. Long free time on the air almost whenever he wants it.

Financial Query

One thing which doth my spirit vex,
And which my poor brain racks, is:
If Congressmen can tax our checks,
Why *can't* they check our taxes?

Caviar and Corrupone

EVERY now and then some newspaper or individual comes out with the dogmatic statement that Washington is not a representative American town, and this suggestion of exoticism never fails to surprise those of us who live here. With less foreign population than most large American cities, with 531 members of Congress and their wives and families, with some 85,000 government workers coming from all parts of the United States, the mere handful of foreign diplomats living here does not seem to cast much of an alien glamour over the American atmosphere. Like the soap, Washington is 99 44/100 per cent pure.

The foreign officials stationed here get an enormous amount of public attention. Their once-famous diplomatic liquor, their immunity from traffic ordinances, their uniforms, their customs, the social activities of their families, their romantic names and titles, all are broadcast through the press with a persistence quite without parallel in other world capitals.

A foreign code clerk in Berlin or Vienna might conceivably be merely a code clerk in official prestige, but here he is more likely to be a social lion. There was once a man at a principal embassy here who was a rampant social favorite after 6 P.M., prior to which time he was a sort of major-domo or upper caterer to his Ambassador. His most trivial observations on politics and public matters were constantly quoted and applauded, and this, in the end, caused him to be recalled to his homeland.

It is the Washington hostess who is responsible for this deification of the diplomat, but what could be more typical of the American "society woman" than that?

In its love of titles, of trappings, and of show, Washington is just as American as Keokuk, Iowa, or Muncie, Indiana, where the visiting foreign lecturer gets the same exuberant reception (at $1.50 per head) as Washington hostesses give to new Ambassadors (at $350-$500 per dinner).

This city forms the ideal meeting point for the rich and restless single woman and the acceptable and accepting young man, who are often able to evolve an ideal give-and-take arrangement. While the average Washington widow or divorcee who entertains—and most of them do—may seldom appraise the odd man as a possible partner for life, you may be sure that she will not overlook his eligibility as a partner for dinner. And sometimes that eligibility will consist solely of a white tie and the price of a taxicab.

Indeed, there is scarcely an unattached man-about-town who has not been impaled upon the glittering speculative eye of some widowed hostess, but widowed most of them remain. They are, therefore, imbued with an institutional quality, and are, in their more flexible way, as characteristic of Washington as are our public monuments.

With the advent of the New Deal and its attendant alphabetic squires from all parts of

(Continued on Page 22)

"We have discovered," says Mr. Asa T. Balmybeam of the Association for the Elimination of the Unemployed, "that this depression is due to the presence of the unemployed in our midst. They are the cause of our staggering relief bill, the unbalanced budget, etc. Our group wants a law declaring a six-month open season on these pests. We would make it legal to shoot, snare, trap or poison all such . . . in accordance with liberal rules to be drafted by an appointed committee of responsible financial leaders. We are confident that such a plan would restore prosperity, for it would, you see, end unemployment."

"Cash buying is the root of our present economic distress," insists Homer Addlekopf, left, president and executive secretary of the National Anti-Cash Sales League. "Statistics show that our periods of greatest prosperity always coincide with a vastly expanded installment-buying movement. Our bill, now before Congress, aims to outlaw the insidious cash sale, and to provide facilities for deferred payments on all transactions, wholesale and retail, which amount to fifty cents or more."

Unfair Competition

IN a lonely region of New York state the authorities recently discovered a factory running full blast, producing beautiful buffalo nickels. The owner was a rugged individualist and a staunch believer in private enterprise. But our tyrannical government cracked down on him for unfair competition.

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Senator Long denounces the NRA for pestering business with codes and regulations. Then he launches a gigantic, complicated program for the confiscation and redistribution of property. Huey would cure a mosquito bite by amputating the leg.

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Business has improved measurably since the New Deal began, yet more persons are on relief than ever before, Mr. Hopkins says. Who is getting all these nice new jobs? Could it possibly be Ogden L. Mills?

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We hear reports of a new and more effective X-ray machine. The device is so powerful, it is said, that it revealed bits of small change in a taxpayer's pocket immediately after March 15.

—D. G.

VINCENT ASTOR, Publisher RAYMOND MOLEY, Editor WILLIAM C. STEWART, Managing Editor

Madness in March

HENRY ADAMS, in one of the most profoundly wise chapters of his immortal *Education*, told of scholars who pursued "ignorance in silence" and pointed out that, despite their efforts, these scholars never found "a logical highroad of escape". His comment applies equally to those who pursue ignorance with loud outcries. This type of hot and noisy pursuit seems characteristic of the tumultuous March through which we are passing. That the public should be interested in the passing controversy is human and understandable. But beneath the flotsam and jetsam on the surface of public opinion are currents in the river of thought in this country infinitely more significant and, because of their present direction, infinitely more disturbing. It is with these that sober citizens and leaders of opinion should concern themselves today.

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GENERAL JOHNSON, in a speech whose form is a product of his unique genius, lambastes Senator Long and Father Coughlin. A vast audience looks with anticipation to what they have to answer. The public's interest then turns to the replics to their replies. And so the controversy proceeds from build-up to build-up:

"To o'ertop old Pelion
On the skyish head of blue Olympus."

There are other "build-ups" going on in the land.

The antics of Evelyn John St. Loe Strachey, his defenders and opponents, public and private, are distracting our attention from grave realities. Mr. Strachey's friends, together with a number of others who are, for the moment, thinking loosely about the meaning of freedom, are insisting upon the right for Strachey of life, liberty and the pursuit of lecture fees. Meanwhile, Ralph Easley thunders in the index.

A bill has been introduced in Congress for the regulation and, in some instances, the ultimate reorganization of public utility holding companies. The parties interested exercise their undoubted constitutional right of petition and flood the mails with active argument against the bill. Senator Norris' "liberal" instincts are aroused. He calls for an investigation of this "propaganda". In this respect he follows the dictum of another great Nebraskan, William Jennings Bryan, who is alleged to have said: "Never argue with a man. Search him." It is easy enough to see how an investigation of this sort might become, itself, a means of propaganda, at public expense. What is in the bill is forgotten for the moment. When we begin to become involved in discussions of propaganda about propaganda, we have gone pretty far afield.

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SO much for the activity on the surface of the stream. What are the currents of thought and feeling in the stream itself these March days? The happiness and well-being of millions of people are concerned in this prosaic question.

We cannot deny the presence of a vast pessimism among us. This spirit possesses even wise and hopeful friends of the New Deal.

One of the wisest liberals that I know has written me the following letter. I believe it will call to the attention of those who are forgetting fundamentals in their preoccupation with the passing show of controversy, what is being thought by serious men, profoundly concerned with human welfare. I print it because, while I am an optimist, I am no Pollyanna. I do not agree with all that my correspondent says; but I believe his reaction to be that of a great many people.

"I would not be honest if I did not say I do not believe confidence has ever been lower in this country, save during the bank holiday. I am afraid we are running rapidly into another shutdown of some kind. Probably I should not say shutdown: I mean crisis. I am afraid the situation will call for spectacular action to release the energy that will be necessary. Perhaps the crisis will take the form of labor stoppage—perhaps a railroad or a mine strike or both.

"We have a terrible combination in labor these days, a bitter disappointment over the failure of the imagined benefits of the NRA, the ability of strikers to use unemployed as pickets, the unwillingness of all local government to protect strike-breakers from pickets, the ability of pickets to damage the property of non-strikers, the mobility of pickets in the scattered industries, and the presence of a probable majority of sullen, disillusioned, spiritless and would-be radical citizens.

"Couple this with the fears and the lack of confidence on the part of many business people, and their inability to make their voice heard in Congress, and we have the makings of trouble. Not of revolution, for this people would not know whither to revolve. We are too much hypped by money radicalism to think of the radicalism of goods and services. So long as we are going to redistribute money, we will not get around to redistributing value, though we may destroy the savings of millions.

"If government can't accomplish the impossible, surely labor and all the other private leagues and associations we hear about can't. If government doesn't deliver a more abundant life, all kinds of people acting in all kinds of ways are not going to. All they will create is confusion. Confusion will breed force. Out of it would rise the demand for responsibility in some quarter.

"I have been carefully following all of the general weekly magazines and I have found no commendation of the Administration in them for weeks. I am startled at the way the Administration is now almost alone. It stands between the conservatives and the radicals, but with almost nobody to support its position. It seems to me the Administration is going to have to find some more instruments to its purposes.

"Lack of confidence in government is largely absence of business confidence in itself—reflected against the government.

"We are drifting to the point where business will again be asking government intervention in its behalf. We see it in a number of directions, in labor relations, in railroad finance (by way of the insurance companies), in the construction industries. Almost the only place we do not see it is in such modern manufacturing industries as the automobile and electrical appliance industries, and the like.

"I know this is not what you would like to hear from me; but it's my own opinion. There are, though, some reasons why I may be wrong."

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MY friend did not enumerate the reasons why he might be wrong, and I shall not attempt to state them for him. But it seems to me that there are factors in the situation which, when calmly appraised, will offer the means for rational people, neither of the Left or of the Right, to build their hopes for a revival of public sentiment on a rational basis:

1. The moderation of the President's program: The essential parts of the President's program, as he has revealed it up to this time, consist of five important measures. The work relief program represents an aggregate cost much smaller than anyone expected in November and December. It is not a startling sum, nor is it a serious menace to the public credit. The social security program, for the moment lost in the labyrinth of committee amendments, is so largely an anticipation of future requirements and future financial burdens that no one is seriously afraid of it. The transportation and ship subsidy proposals are constructive efforts to put the power of government behind essential transportation businesses. The banking legislation, as I pointed out in detail last week, is simply a necessary fulfilment of the original purposes of those who designed the Federal Reserve System. The holding company legislation, which I shall analyze next week, contemplates an effort to bring about the termination of certain undesirable aspects of modern corporate forms in the public utility field. It may be assumed that such further additions to the President's program as may be made will be few, and in harmony with the moderation of these measures.

2. The fundamental disunion of the Right and of the Left: The joy of those opponents of President Roosevelt who have anticipated that Senator Long and Father Coughlin, representing the most articulate and strongest elements on the radical side, could, if united, bring about his defeat in 1936, is destined to be short-lived. The programs of the two men are fundamentally inconsistent. Their background and sympathies, methods, essential purposes and ambitions are totally different. There is no alliance between them, as Father Coughlin himself has stated, and I do not believe there can be.

Within the Senate there are at least six men who are nursing the fitful dream of the day when Mr. Roosevelt will be swept aside by an overwhelming demand for a new party and a new leader. Each of the six thinks of himself as that leader. Each, however, is as passionately convinced that the other five are hopeless opportunists, unworthy of support. Union among these discordant elements, even for the period of a political campaign, is unthinkable. They will continue now as always, lone wolves whose howls will be audible only in a nation where suffering and frustration are prevalent.

3. The soundness of American banking: A capitalist democracy depends upon the soundness of its financial system. That is why the end of civilization as we have known it came so close in the dark days of March, 1933. No one will deny the essential soundness of this system, or the extent to which it has been strengthened in the past two years. This is an element of strength that pessimists constantly forget.

4. The soundness of government credit: A cursory examination of the credit of the leading countries in the world as compared with our own is convincing proof of this factor of strength.

5. Agricultural prosperity: The economic status of approximately forty million people directly dependent upon agriculture has been enormously improved through the rise in farm prices, the easing of the burden of debt and the removal of a constantly impending danger of a great and disastrous surplus.

6. The opening of the capital market: Despite pessimists, the substantial opening of the capital market has become an accomplished fact. Large refunding issues are already announced and others are under way. This points to the lifting of the debt burden in our industries.

7. Deferred demand: The Committee for Economic Recovery has published privately an extraordinary document describing statistically the tremendous market that exists in this country for the products of industry. The Committee puts it at the conservative figure of fifty billion dollars. This stupendous market for privately produced goods makes puny the claims of those who believe that the only future market for goods will have to be created by government expenditure. I have many times expressed the conviction that to expect the government to replace private consumption in the capital goods industries is to expect the impossible. Even the most radical demands of those who believe in the Keynes theory of priming the pump by government spending reach only ten billion dollars, and no one with common sense can conceive of purposes to which more than one-third of this amount could be spent in a given year. It will be well to examine our private market for capital goods, in which nearly ten billion dollars is the estimated potential demand for the present year, with an equal amount before us during each of the years immediately succeeding. Here is the key to recovery. No effort, even the foregoing of certain desirable reforms, is too heavy a price to pay for this market.

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A MIDDLE-OF-THE-ROAD position, built up by the Administration now in power, around these seven elements of strength is the best answer to the pessimism of the Right and the pessimism of the Left.

I am not claiming that pessimism is not prevalent in the land. I am simply saying that it is time we threw off our absorption with the trivial, however colorful it may be, and set our minds to the development of a strong and substantial center opinion built upon the realities in our present economic and political picture.

Raymond Moley

University of Exiles

Significant as an innovation in America's educational system, the Graduate Faculty of the New School for Social Research offers a coordination of higher learning and a breadth of view beyond that of our older and more conservative institutions

BY JOHN CORBIN

"Close examination reveals the school as an institution devoted to a scientific study of political trends and social conditions . . . such knowledge is the basis of liberalism."

Professor Emil Lederer, shown in a thoughtful mood above, is dean of the Graduate Faculty and presides over the general seminars, which draw the largest attendance.

As a result of the rise of Hitlerism, the United States has gained a graduate school comparable in merit to Germany's great universities of yesteryear, although as yet comparatively limited in its size and scope; and the story behind it is, in some respects, as romantic as that of the émigrés from revolutionary France.

This recently-established American institute is the Graduate Faculty of Political and Social Science, a division of the New School for Social Research, situated in the Greenwich Village section of New York City.

The New School itself is unique. From the conventional viewpoint, the school seems as radical—or socialistic, if you like—as the locale of its adoption. Yet among its directors—who are, in large measure, its financial sponsors—we find men prominent in Wall Street and in what is known, socially, as Long Island. And closer examination reveals the school as an institution devoted to a strictly scientific study of current political trends and social conditions. If, for some, that study leads to socialism, so be it; for, to others, such study represents a consolidation and illumination of traditional opinion.

The most important point is that, through it, thought becomes more solidly based upon fact; opinions become more realistic, and, therefore, more effectively progressive. To the New School, such things are the basis of liberalism.

The director of this school is Alvin Saunders Johnson, who has served on the faculties of a half-dozen universities scattered throughout America, who once was editor of *The New Republic*, and who now is associate editor of the *Encyclopedia of Social Sciences*. It was he who conceived the idea of the graduate faculty and who presided at its establishment, an achievement exemplifying the new liberalism.

Justifiably Afraid of Nazis

The Nazi triumph resulted in some eleven hundred of Germany's learned preceptors being discharged from their positions. The "offense" of approximately half of these scholars was not that of being Jews or Socialists, but the expression of opinions—in some instances years previously—which were considered unsympathetic to Hitlerism. Many were discharged without having committed any "offense", unless it was that of holding positions coveted by vociferous Nazis.

As associate editor of the *Encyclopedia*, Dr. Johnson had met a number of these non-Nazi scholars. Some of them were of worldwide renown, yet were afraid to write even the most innocent type of articles, fearing Hitlerite reprisals for imagined implications of opposition to the Nazi régime. Some of them, however, did occasionally prepare treatises on various non-political subjects, only to become frightened before publication and request withdrawal of their works, in the hope of somehow saving their jobs. Vain precaution! For, as it appeared to Dr. Johnson, the more open-minded a scholar, the more devoted to scientific truth, the less he was appreciated by the Nazis in charge of Germany's educational institutions. Hitlerism was *ueber alles*, and the expulsions continued.

In the group of exiles, Dr. Johnson perceived the potentiality of an unsurpassed faculty on social, economic and political science. Why not assemble this potential faculty in America? There was never a case in which our traditional hospitality to political exiles could be exercised to so great an advantage to ourselves. A doctorate earned in Germany was long recognized as denoting the ranking achievement in scholarship. Now, insofar as the scope of the New School is concerned, the equivalent of such a degree can be earned only in America.

After studying the possibility of the establishment here of the faculty of exiled German scholars, Dr. Johnson published an article proposing it. For a time, he let the matter rest, feeling his duty done. But liberals of today cannot rest long on such laurels. And a realization that the mere expression of a great idea does not always satisfactorily suffice shortly became apparent to Dr. Johnson, much as that same fact became apparent to the late President Wilson during the World War. The true liberal must bring his idea into being. So, in the face of modern history's severest depression, Dr. Johnson found backers for the project and enlisted the support of influential liberals in many walks of life.

The faculty began its new work this last Autumn in quarters at the New School. Through cooperation of the University of the State of New York, the faculty was enabled to offer two degrees, Master of Social Science and Doctor of Social Science, on the basis of one and two years of "full-time" attendance, respectively. The study subjects include philosophy and psychology, economics, sociology, political science and jurisprudence; an A.B. degree is a prerequisite to enrolment, and subsequent tests correspond to those in other graduate schools.

One of the most significant liberal innovations of the faculty is its constitutional self-government.

In most of the conventional American schools, faculty members are hired, fired and otherwise controlled by a board of trustees or a corporation. Often, competent men with progressive ideas are discharged by boards rusty with retrogressive conservatism. Sometimes, when such a board discharges an incompetent teacher for valid reasons, he can bring public disapprobation upon it by alleging that he has been a victim of the "money power". Faculty self-government precludes this sort of "politics" to a substantial degree.

And there is a more important danger which is effectively minimized by faculty autonomy. It concerns the matter of new appointments to the staff.

For Freedom of Speech

The choice of a new member often lies between an agreeable mediocrity (or actual incompetent) and a brilliant but unsociable scholar. In such cases, a board usually is, as might be expected, more inclined toward the less able but more congenial candidate, although his appointment may ultimately prove detrimental. The average faculty certainly cannot afford to take any stand in such a matter, despite the loss of a potential asset in the competent nonconformist.

The graduate faculty of the New School, with its complete powers of self-government, elects its own dean, decides on appointments, and controls salaries and promotions, all by majority vote. It can "remove any of its members for cause and after a hearing before the full graduate faculty" on a two-thirds vote.

For practical reasons, it is advisable at this time that the faculty board have one member who is familiar with American conditions. Dr. Johnson serves in this capacity, but in all decisions, his vote is counted only as that of an individual.

The establishment of this faculty is especially opportune because educational progress is at a crossroads in this country. The German influence was dominant in America's halls of higher learning throughout the Nineteenth Century, although our universities never were Germanized to an appreciable degree.

But in our national scholastic development during the last century, the number of courses offered multiplied, and various lines of study became highly specialized. A point was reached where lecture hours were in such conflict that rational selection of classes became impossible. In this confusion, a student might view a few of the trees at close range, but he could not hope to explore the forest, not without spending far too many years in it. A "liberal" education became a thing of shreds and patches. The vaunted elective system blighted all hopes for something better.

With the turn of the century, however, there came a reversion to the native Anglo-American ideals and methods, as they had persisted and developed in the great universities of England. The Harkness "houses" at Yale and Harvard probably are omens of a more profitable collegiate life in the America of the future. The trend toward personal instruction and a more judicious grouping of studies in our progressive schools is distinctly in the Anglo-American tradition. For the time being, the tendency toward partial Germanization of our universities is receding.

Incorporating the best features of the traditional German university training, the graduate faculty has introduced various features of much significance in the evolution of American education. In each subject, the basis for study is laid with thoroughness, then its fuller implications are developed with the Teutonic flair for philosophy. Facile generalizations common to many college and university courses are avoided by the teachers of the graduate faculty. And the student seeking a degree from the graduate faculty of the New School must make an individual exploration into the field of original and strictly scientific scholarship, in preparing his essay for a master's degree or his dissertation for a doctorate.

In addition to a thoroughness in detail, the graduate faculty offers a balanced depth and breadth of view. Formerly, the broad generalizations of the classical Germanic author-scholars seemed, to me, the negation of their traditional methods of education. But now, that tendency appears as a natural, although perhaps not the most fortunate, result of Teutonic culture.

Differences of Method

There remains, however, a clear and important difference between the German and English educational methods. At Oxford and Cambridge, the aim is to train the student to become a man of the workaday affairs of his world, emphasis is laid upon athletic and social activities; graduate study *per se* is not encouraged, and scientific research is seldom stressed. But to obtain a degree from these schools, a candidate must know his subjects, must be able to think independently and to express his knowledge and thought. Because of their methods, the English institutions are justified in the boast that they have "manned the British Empire".

One of the most outstanding courses offered by the graduate faculty is its general seminar, a synoptic study of the American scene, as compared to that in Europe—the historical background, the sociological and political features, the economic life, and the spiritual life. The seminar sessions usually are opened with a pertinent lecture, either by a faculty member or a visitor of prominence in some particular field. The sessions are presided over by the dean of the graduate faculty, Professor Emil Lederer; most of the faculty members attend and join in the open discussion which follows the lecture, as do the students. It is in this general seminar that the mood and methods of the graduate faculty most nearly approach those of Georg Simmel and Max Weber.

As yet, the enrolment is not large, but a bright future is predictable for this new institution. Many of the students who enroll for only one year are likely to find it profitable to remain for a second. For this is the only school in the modern world in which the characteristic virtues of the celebrated German universities survive.

PHOTOGRAPHS BY JACK PRICE FOR TODAY

"From the conventional viewpoint, the school seems radical . . . Yet among its directors—who are, in large measure, its financial sponsors—one finds men prominent in Wall Street and in what is known, socially, as Long Island."—Above, one of the classes of the school.

Rural Paradox

(THE TIDE OF BUSINESS)

WHILE the farmers have been preparing to plow, the year's outlook for agriculture has been growing even more confusing. For agriculture, as for other economic activities, the number of problems is still increasing. Amendments to the AAA are being discussed, and various farm organizations are bringing forward their own programs, looking toward the "ever-normal" granary and to making more flexible the use of the money from the processing taxes. Meanwhile, in some sources it is said that an era of Federal-state agricultural cooperation is imminent, but such cooperation has always been difficult to carry out.

Nevertheless, the prices of farm products have been steadily rising. For many farmers, this means a considerable lightening of the debt burden. However, shortages in many lines increase the burdens of farmers whose production is much below the average, and vastly complicate the problems of those industries which depend for prosperity on a large volume of agricultural production. The vagaries of the international money exchange have disturbed the prices of the farm products which usually have a large export market. And the continuation of the drouth in some parts of the West causes new troubles for agriculture, at the same time that general social conditions in that great area are becoming worse.

Most of the changes in the general price indexes have been in farm products or in foods. Some of these changes have merely corrected disparities which resulted from the four-year decline in these staples, or from an even longer but slower decline. Other changes, particularly those caused by the drouth, have resulted in new disparities. The most extreme price increases have been in feeds and livestock. There are now fewer hogs in America than at any time in the past fifty years.

The Drouth Lingers

Meat packers discover to their dismay that the volume of the meat industry will be 40 per cent under the volume of last year. The railroads, shippers, motortruck operators and packers fear that they may be visited with disastrous effects like those which lately befell the trades connected with the cotton industry. Yet in spite of this, several manufacturing industries—shoes, for instance—have been in better shape recently, due to slow improvements in demand. The increase in general business activity has had its share in lifting the prices of food: As people return to work, they eat more or better food.

The prices of farm products, on the average, have risen about 95 per cent in the last twenty-four months. This is reflected in the prices of land. Since the first of the year, good land in states east of the Mississippi has topped $100 an acre.

The drouth remains the greatest single menace to American agriculture. In the last three months the Eastern states have had enough rain and snow to correct partially the moisture deficiency, but in the western third of the grain belt the drouth seems to have intensified.

The nation will watch with great concern the developments in the immediate future in the Great Plains area—once, and perhaps again, the "Great American Desert". There have been rains and snows in the Southwest, but they have not reached the dry part of the wheat belt. Recently there have been dust storms of alarming extent and number over this latter area. Western Kansas, Nebraska, Oklahoma and the Texas Panhandle are in worse condition than they were a year ago. South Dakota's wheat crop has been deficient for three years, and last Winter only one section of the state has had enough moisture to assure normal production.

Short Crop Likely

The ominous aspect of all this is the possibility that another long-swing climatic change is taking place—something that might convert a great part of the United States to the condition of Turkestan or Inner Mongolia. Such changes in the past have caused history-making migrations of peoples.

Rural poor-relief is necessarily heavier than ever, and Arkansas share-croppers and Minnesota farmers have resorted to very vehement demonstrations.

It will not be clear for several weeks whether this country can produce its own requirements of grain this year, or will have to draw once more on the carry-over, because of the drouth.

The factories in small centers which manufacture farm implements have received suddenly increased demands for their products, and have discovered perplexing shortages of labor. This is a result of the decline of skill during six years of depression, the scattering of the unemployed over the country, the deaths of the old employes and the disappearance of apprenticeship. In consequence, the makers of farm implements are at present buying more automatic machine tools.

Steel companies are selling more steel to the makers of tractors and other farm implements than they have sold in five years. Some foundries are reopening. Tractors are selling well; the current models, like the cheaper automobiles, are going direct to the users, not stopping for display in showrooms.

The earnings of the farm equipment companies last year were about $12,000,000 better than the year before; but that did not bring them back, as a group, to the profit point. This year some of them are expected to begin making money again. Although improvement probably will be slow, America's oldest mechanical industry seems to be definitely recovering.

Fully one-fifth of the farmers were stricken by the drouth, and the remainder do not need so many tools, now that they are tilling less land. The sudden increase in the demand for farm implements is one paradox in the present American agricultural situation, which itself is probably the most paradoxical feature in the history of the country. —R. D.

Granddaddy of Security

(Continued from Page 5)

which marches with the times—or, rather, a few steps in advance. But he does not think that he is out of step. His faith that Thomas Jefferson would indorse present-day reforms induced him to label his every-man-a-job measure as the "Thomas Jefferson bill".

Although an individualist if ever there was one, he insists that further governmental control in the social and economic realms has been made necessary by the complexity and interdependence of modern society.

"My father and I," he recalls, "used to dig six tons of coal between us each day. We made only $2.40 a day, but that was enough. A home, food and other necessities were within our purchasing power because we kept our wants down. We could look after ourselves.

"We were individual cells and we could live independently, but now economic life has become as integrated and as interdependent as the human body, with its billions of interdependent cells. The individual has been robbed of the power to produce for himself and to protect himself. And only organization and regulation can enable him to protect himself. Such a solution is inevitable, whether we like it or not."

Student and Fighter

For a man who exercises such profound influence in the House, it is surprising that "Davey John" is so little known to the public. It may be due to the fact that he is too much of a student-statesman; the art of ballyhoo is a mystery to him. He spends years studying a problem—the parcel post, unemployment insurance, tariff or the coal industry—and he shuns his fellows during that period. Spending days and nights in his office, he browses among dry economic reports, legislative summaries and proposals, original documents. Not until intellect and spirit move him does he resume his place in the Congressional round. Then he usually sponsors a measure which stirs no hearts and makes few pulses beat faster, but one which Congress slowly and reluctantly accepts. Such statesmanship does not generate headlines.

Nevertheless, he is a fighter. Unlike so many students on Capitol Hill, he does not become lost in books and forget the object of his search for information. When he has dug to the bottom of the problem, he "wants to go out and make a speech—to do something about it". It was this slow, studious method which made him the "father of the parcel post".

Although only five feet tall, he can play the heroic role. This he did when former President Coolidge resented the low-tariff philosophy Representative Lewis displayed as a member of the United States Tariff Commission. Having no regard for the amenities of practical politics, Mr. Lewis joined with a majority in demanding a reduction of the sugar tariff in the midst of the 1924 Presidential campaign. Mr. Coolidge first pigeon-holed the report, and then exhibited his irritation more openly. Upon the expiration of Mr. Lewis' term, the President agreed to reappoint him only on condition that he sign an undated resignation. Mr. Lewis quit.

"I could not be a free judge with such a sword of Damocles hanging over my head," he told Mr. Coolidge.

Despite his lack of conventional color, his life reads like a romance. He has never had any formal schooling, and not until he was nineteen did he begin to study methodically. But his father, though unschooled, had a deep reverence and curiosity for learning, spoke two languages and was a skilled musical composer. The miners of those days were eloquent and thoughtful men, with a Biblical cast of mind. Young Lewis, who never played much, "would always throw down a bat to listen to the elders speak", and he yearned to expand his horizons.

Invited to address a lodge meeting in Cumberland, his inherent eloquence led a lawyer to take an interest in him. The young miner carried back to the hills a set of law books, tramping into the village each Saturday afternoon to recite them to the squire. A Sunday-school teacher taught him Latin, and in February, 1892, he passed the bar examinations. In 1901 he was elected to the Maryland Senate, and he has been holding public office most of the time since.

Although he resides in a strong Republican district in northern Maryland, he has been defeated only twice. He ran for the Senate in 1916, but the Democratic bosses of Maryland resented his radicalism—he was then urging nationalization of the telegraph and telephone services—and they betrayed him. Like his Republican foes, they branded him as too academic and too interested in statesmanlike subjects to run errands for his constituents. In 1928 he ran for the House after a twelve-year absence, but he was swept overboard by the Hoover landslide. Mr. Hoover carried the district by 27,000, and Mr. Lewis lost by 10,000. He has been elected every year since 1928, surviving a Republican wave which knocked over almost the whole Democratic slate in Maryland last year.

Peers into the Future

His closeness to nature in his impressionable boyhood years also shaped his inner, intellectual sympathies. Big words always fascinated him once he had learned to read, and one day he spent a nickel to buy two books on "Physics" and "Natural Philosophy". The titles meant nothing to him—he could not understand them—but he did not shut his eyes that night until he had read a chapter on astronomy and permitted his imagination to roam the starry skies. The subject of physics immediately became his hobby. He has not opened a novel in twenty years because he finds that science offers more entrancing mysteries than Conan Doyle or Edgar Allan Poe. Because of his studies in this field he was elected as a member of the American Academy of Sciences long ago.

Thus the boy-miner, who never attended school, has progressed through the classrooms of higher politics and economics until he dares to peer into a world in which there may be such things as the run-of-mine Congressman never dreamed of. That's the kind of man "Davey John" is.

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Another point to be remembered is that radio has already passed through several phases. From the small scraps of music and stunt broadcasts, it went on, under sponsorship, to the domestic or humorous sketch, of which the Goldbergs and Amos 'n' Andy were representatives, and, at one of its peaks, to great golden full hours of popular orchestral music, usually with a crooner, and often with other forms of entertainment. One effect of the depression was to break down the full hours into quarters, multiplying the advertising plugs so that they became an active irritation, and presently, in a sort of compromise, half-hour periods starring comedians rose to a dominant position.

At the same time, radio has broadcast entire symphonic concerts and entire operas, including the finest in America, and a significant but unobserved variation has already taken place—not only has the Philadelphia Orchestra played fragments on various network programs, but symphonic orchestras have been created by sponsors to evade the rigors of both severely classical and ultra-modern music in concert halls; and operas are being condensed and broadcast in English from studios, instead of from the Metropolitan Opera House. Yet, in spite of these popularizations, it is clear that in almost every department of music, radio has come close to its maximum possibilities, in dance music and orchestral jazz, in song, in semi-classical, classical and operatic music, it now is offering the best and nearly the most that it can offer. It is generally, perhaps hastily, assumed that, in respect to music, the taste of the public is not fickle. Yet the element of novelty in the radio presentation of music is almost entirely exhausted.

Radio Competition

It is my guess that radio will continue to supply music and to compete with the theater and the movies, especially on the lighter side; although in the past Winter, dramatizations of straight plays have decidedly improved in quality. The radio competition with the newspapers has, for the most part, been abandoned temporarily, but when a mechanism is capable of being used for such a normal function as spreading the news, I do not believe

Stand Up and Kick

(Continued from Page 7)

that it can be checked very long.

In none of these things does the radio develop anything peculiar to itself or anything particularly novel. The new things are only the new people—the exploitation of personalities. There remains, however, one field in which the radio is capable of almost infinite extension, and it is surprising that the sponsors have not seen this possibility. I mean the chance of taking away from the critics their great cry for educational radio and creating sponsored programs which will be educational and exceptionally entertaining at the same time. Inasmuch as listening to symphonic music has, for two generations at least, been considered

RADIO GUILD

KEYSTONE

"The most successful revues," Mr. Seldes finds, "are either glorified vaudeville or fantasies whose satire is indulgent and a little remote." Above is a scene from a musical revue, during a typical dance number by the chorus. At left, Rudy Vallee of the radio, which, to quote Mr. Seldes again, "has not developed anything peculiar to itself or particularly novel".

feel the public wants, it is obviously in their power to create a new form, and if the program is designed to advertise a fairly high-priced commodity, sponsors might have a chance to interest those substantial citizens who are not only capable of buying, but who may constitute part of the majority of American citizens —that is, the sixty-five million who do not now listen to the radio.

The creation of new audiences is one of the essential long-range problems of any form of entertainment, and should be the work of groups or associations. Most individuals naturally exploit the existing audiences, and are too uncertain of being in business five or ten or fifteen years

audience for itself in another way, primarily by selling season tickets and thus partly guaranteeing the cost of production and, what is more important, giving an offering a chance to run for the four or five weeks during which a play, not an instant hit, may build itself into a success. This audience, now trained to accept intelligent, moderately intellectual and even serious plays, has become the common property of half a dozen other theatrical producers, and the Theatre Guild is, therefore, to be credited for having created an improved public taste, not limited to New York alone. Some of the more flourishing Summer playhouses approach the ideal situation of having a guaranteed audience—as, of course, do all the great symphony orchestras — and there is a possibility that something of the same sort could be done for local stock companies. The disadvantage of the guarantee in the arts is obvious; the advantage, at the present time, is that the guarantors, being limited in number, can impose a high standard on an art which fundamentally should not compete with the most popular entertainments.

the privilege of the peculiarly gifted, and since it does actually require an effort of attention much greater than is required for watching a chemical experiment, the hesitation of the sponsors can only be due to a confusion in their minds between education and stuffy lectures. As they have within a few years mastered the type of entertainment which they from now to make any effort or spend any money on the future. Newspapers, with their comic strips and their hobby clubs, are more confident; they assume that the paper the child reads will be the paper that the adult will buy. Radio also makes its appeal to children, in one of its most doubtful activities, and the movies have solved the problem to their own satisfaction by steadily assuming that there is no difference between entertainment for the child and for the adult. But children are not the only new audience available. It was discovered during the remarkable run of *Abie's Irish Rose* that the play had created an audience for itself, in the sense of bringing people to the theater who usually attended only the movies. (The comparative failure of the movie version may be partly due to this circumstance.)

The Theatre Guild created an

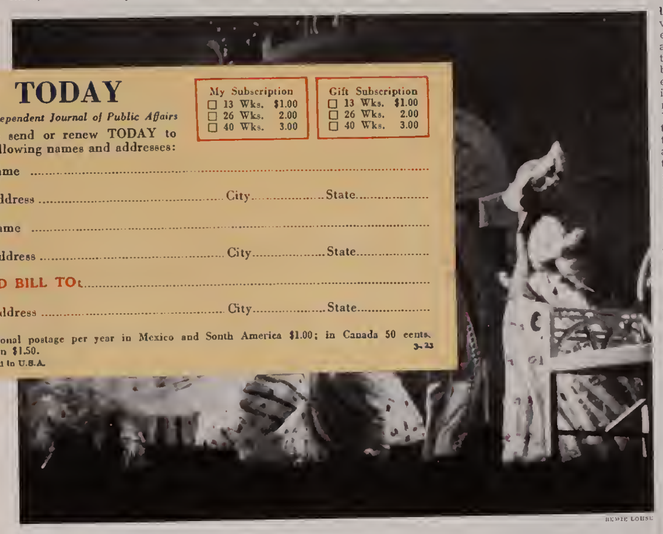
Decline of Burlesque

Among the causes for the decline of burlesque is the increasing frankness—or dirtiness—of the revue, but the revue has changed its character in other ways as well. Beginning in 1930, with *Strike Up the Band*, a series of satirical revues—largely the work of the two Gershwins, and Irving Berlin and George S. Kaufman—changed the entire tone and character of musical shows, imparting to them, particularly, the quick perceptions and hard-hitting direction which are Mr. Kaufman's

great contributions to the theater. With only an occasional bow to the requirements of the handsome tenor and the pretty soprano, these shows, which together constitute a sort of sour-sweet commentary on American life in its biggest and best depression, destroyed almost all the formulae of musical comedy for a time, and substituted a free-running wit for the heavy-handed revue blackout. They corresponded in time and in tone to that peculiar series of vegetable sneers of which the raspberry was the best known, flanked by the bowl of cherries on one side, and apple sauce and spinach on the other. The Pulitzer Prize, awarded to *Of Thee I Sing*, gave almost official approval to the raspberry as the normal American state of mind, and it is notable that the successor, *Let 'Em Eat Cake*, although just as good a show, was not nearly so successful; optimism and elation; and *Life Begins at Eight-Forty* and *Thumbs Up* pronounce good cheer even in their titles. Lavish musical shows like *The Great Waltz* and shows which depend on melody and gentle comedy, like *Revenge With Music*, give the impression that "the good old times" have returned.

Keeping Up Our Courage

I cannot make any such definite statements about popular songs. I feel moderately certain that one of the reasons for the success of *The Big Bad Wolf* song was that we sang it to keep up our courage; we were all afraid and pretended not to know who was afraid. But the argument cannot be carried too far. The almost beery melancholy of *The Last Round Up* was popular at the same time. My current impression is that most of the songs one



METRO GOLDWYN MAYER

Giving the impression that the "good old times" have returned to the stage, hits have been scored by such lavish musical shows as *The Great Waltz*, a scene from which is shown above. And a part of the public appreciates more serious plays, as evidenced by recent successful ventures. At right, Helen Hayes and Cynthia Rogers in *Mary of Scotland*, an historical drama.

whereas, Mr. Berlin's more genial satire, *As Thousands Cheer*, was far more successful than his previous show.

It seems to me that the meaning of this is quite clear. The mood of sour disillusion, prevalent in 1932, changed in the following year when the governmental policy of trying everything displaced the previous policy of doing nothing.

In fact, if one were to judge a country by its revues and its popular songs, one would say that by 1934 the United States was back in boom times. The most successful current revues are either the old type of glorified vaudeville or fantasies in which satire is remarkably indulgent and a little remote. The most successful musical now in New York is *Anything Goes*, in which the chief object of satire is the gangster public enemy, and its most popular song, *You're the Top*, has a definite

hears from the radio are hogwash. The good songs, musically speaking, still come from the good composers—the Berlins and Gershwins and Kerns and Schwartzes—who are working chiefly for the stage. Less frequently, one of the five numbers in a moving picture musical turns out well.

I have left until the end the type of entertainment which I feel still has the best chance of dominating the field—I mean the moving picture. The injection of sound came just at the right moment to ward off what might have been a fatal blow from the radio. And, as the movies took only about two and a half years to recognize and correct their early mistakes in handling the new mechanism—that is, two and a half years longer than outsiders, who noted the errors at once—the talking picture is now offering a comparatively high degree of entertainment—say about 50 per cent of its potentialities. This is true of the feature picture; the shorter films, which help to round out the average moving picture program, vary from perfection in the Disney Silly Symphonies to an incredibly low level in the various shorts exploiting bad comedians or various vaudeville artists who have not found appropriate places elsewhere. The tedium of these productions, which are often expensively and pretentiously made, is a far worse thing than the "vulgarity" which used to be considered the crime of the movies. Another black mark against the movie microphone is that, to a certain extent, it has corrupted the integrity of the newsreel, which now presents events not as they occur, but as they are rearranged for the camera and microphone.

Nevertheless, the center of interest in a movie program remains in the feature film, which steadily improved, both technically and in content, until the middle of last Summer. Since that time, the producers have been intimidated by the fear of boycott, and a definite flight to the past has set in. It is only a question of whether we prefer moving pictures which deal falsely with the present but occasionally, usually by way of comedy, reveal a knowing eye, or those which deal romantically with the past and have only a glancing reference to our own lives.

It would be easy to say that all the forms of entertainment in America are now in a state of transition, and the only reason for not saying it is that they, like our politics and economics and nearly everything else, are always in a state of transition. We are especially aware of it at the present time, because we happen not to like the narrow place in which we have found ourselves, and the rate of social change is certainly more rapid than it was a generation ago. About these changes in entertainment, only a few general conclusions can be drawn, of which I think the most important is that change occurs in spite of the timidity and stubbornness of those who think they can profit more by preventing change.

It is a serious thing that two billion dollars should be the capital investment of an industry providing entertainment (as in the movies), and it is equally serious that entertainment should be either supported by, or subordinated to, commercial enterprise, with vast invested capital (as in radio). These things make for conservatism and rigidity. Yet my point is that one reacts on the other—both are perpetually threatened by new developments, and neither has been able entirely to destroy any of the really valuable earlier forms of entertainment, except where they have offered desirable substitutes.

Better Quality a Possibility

A second point is that entertainments without complicated mechanisms and enormous investments can be more flexible and more easily adjusted to local requirements, and what they need is to abandon competition and go seriously into the business of creating and guaranteeing audiences for themselves.

Finally, I am convinced that we can have better entertainment—and I am not speaking of arty movies or intellectualism on the air—if the people who have spent the last twenty years deploring what has happened to entertainment about which they are sentimental, would cheerfully confront the present situation and create an effective demand for good entertainment in the movies and on the air.

This is the last of three articles.

VAN DAMM

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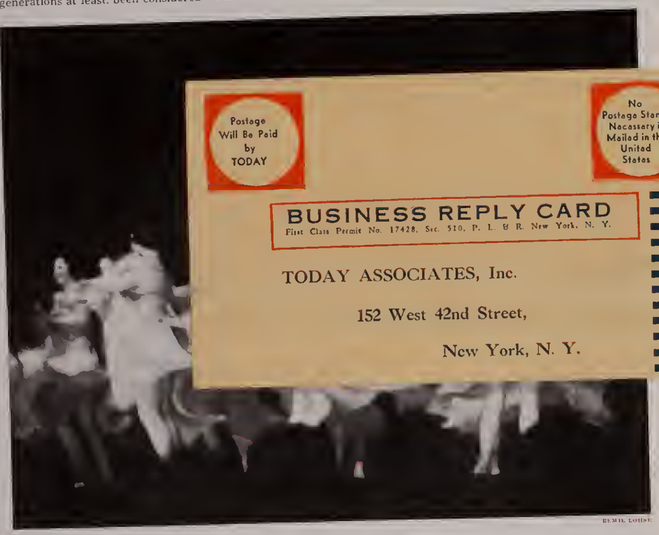
Decline of Burlesque

Among the causes for the decline of burlesque is the increasing frankness—or dirtiness—of the revue, but the revue has changed its character in other ways as well. Beginning in 1930, with *Strike Up the Band*, a series of satirical revues—largely the work of the two Gershwins, and Irving Berlin and George S. Kaufman—changed the entire tone and character of musical shows, imparting to them, particularly, the quick perceptions and hard-hitting direction which are Mr. Kaufman's



RUDY VALLEE

"The most successful revues," Mr. Seldes finds, "are either glorified vaudeville or fantasies whose satire is indulgent and a little remote." Above is a scene from a musical revue, during a typical dance number by the chorus. At left, Rudy Vallee of the radio, which, to quote Mr. Seldes again, "has not developed anything peculiar to itself or particularly novel".

great contributions to the theater. With only an occasional bow to the requirements of the handsome tenor and the pretty soprano, these shows, which together constitute a sort of sour-sweet commentary on American life in its biggest and best depression, destroyed almost all the formulae of musical comedy for a time, and substituted a free-running wit for the heavy-handed revue blackout. They corresponded in time and in tone to that peculiar series of vegetable sneers of which the raspberry was the best known, flanked by the bowl of cherries on one side, and apple sauce and spinach on the other. The Pulitzer Prize, awarded to *Of Thee I Sing*, gave almost official approval to the raspberry as the normal American state of mind, and it is notable that the successor, *Let 'Em Eat Cake*, although just as good a show, was not nearly so successful; whereas, Mr. Berlin's more genial satire, *As Thousands Cheer*, was far more successful than his previous show.

It seems to me that the meaning of this is quite clear. The mood of sour disillusion, prevalent in 1932, changed in the following year when the governmental policy of trying everything displaced the previous policy of doing nothing.

In fact, if one were to judge a country by its revues and its popular songs, one would say that by 1934 the United States was back in boom times. The most successful current revues are either the old type of glorified vaudeville or fantasies in which satire is remarkably indulgent and a little remote. The most successful musical now in New York is *Anything Goes*, in which the chief object of satire is the gangster public enemy, and its most popular song, *You're the Top*, has a definite optimism and elation; and *Life Begins at Eight-Forty* and *Thumbs Up* pronounce good cheer even in their titles. Lavish musical shows like *The Great Waltz* and shows which depend on melody and gentle comedy, like *Revenge With Music*, give the impression that "the good old times" have returned.

Keeping Up Our Courage

I cannot make any such definite statements about popular songs. I feel moderately certain that one of the reasons for the success of *The Big Bad Wolf* song was that we sang it to keep up our courage; we were all afraid and pretended not to know who was afraid. But the argument cannot be carried too far. The almost beery melancholy of *The Last Round Up* was popular at the same time. My current impression is that most of the songs one hears from the radio are hogwash. The good songs, musically speaking, still come from the good composers—the Berlins and Gershwins and Kerns and Schwartzes—who are working chiefly for the stage. Less frequently, one of the five numbers in a moving picture musical turns out well.

I have left until the end the type of entertainment which I feel still has the best chance of dominating the field—I mean the moving picture. The injection of sound came just at the right moment to ward off what might have been a fatal blow from the radio. And, as the movies took only about two and a half years to recognize and correct their early mistakes in handling the new mechanism—that is, two and a half years longer than outsiders, who noted the errors at once—the talking picture is now offering a comparatively high degree of entertainment—say about 50 per cent of its potentialities. This is true of the feature picture; the shorter films, which help to round out the average moving picture program, vary from perfection in the Disney Silly Symphonies to an incredibly low level in the various shorts exploiting bad comedians or various vaudeville artists who have not found appropriate places elsewhere. The tedium of these productions, which are often expensively and pretentiously made, is a far worse thing than the "vulgarity" which used to be considered the crime of the movies. Another black mark against the movie microphone is that, to a certain extent, it has corrupted the integrity of the newsreel, which now presents events not as they occur, but as they are rearranged for the camera and microphone.

Nevertheless, the center of interest in a movie program remains in the feature film, which steadily improved, both technically and in content, until the middle of last Summer. Since that time, the producers have been intimidated by the fear of boycott, and a definite flight to the past has set in. It is only a question of whether we prefer moving pictures which deal falsely with the present but occasionally, usually by way of comedy, reveal a knowing eye, or those which deal romantically with the past and have only a glancing reference to our own lives.

BUBBLE LOBBY

Giving the impression that the "good old times" have returned to the stage, hits have been scored by such lavish musical shows as *The Great Waltz*, a scene from which is shown above. And a part of the public appreciates more serious plays, as evidenced by recent successful ventures. At right, Helen Hayes and Cynthia Rogers in *Mary of Scotland*, an historical drama.

It would be easy to say that all the forms of entertainment in America are now in a state of transition, and the only reason for not saying it is that they, like our politics and economics and nearly everything else, are always in a state of transition. We are especially aware of it at the present time, because we happen not to like the narrow place in which we have found ourselves, and the rate of social change is certainly more rapid than it was a generation ago. About these changes in entertainment, only a few general conclusions can be drawn, of which I think the most important is that change occurs in spite of the timidity and stubbornness of those who think they can profit more by preventing change.

It is a serious thing that two billion dollars should be the capital investment of an industry providing entertainment (as in the movies), and it is equally serious that entertainment should be either supported by, or subordinated to, commercial enterprise, with vast invested capital (as in radio). These things make for conservatism and rigidity. Yet my point is that one reacts on the other—both are perpetually threatened by new developments, and neither has been able entirely to destroy any of the really valuable earlier forms of entertainment, except where they have offered desirable substitutes.

Better Quality a Possibility

A second point is that entertainments without complicated mechanisms and enormous investments can be more flexible and more easily adjusted to local requirements, and what they need is to abandon competition and go seriously into the business of creating and guaranteeing audiences for themselves.

Finally, I am convinced that we can have better entertainment—and I am not speaking of arty movies or intellectualism on the air—if the people who have spent the last twenty years deploring what has happened to entertainment about which they are sentimental, would cheerfully confront the present situation and create an effective demand for good entertainment in the movies and on the air.

This is the last of three articles.

VAN DAMM

Double Trouble

(Continued from Page 4)

most mills operated on a one-shift basis. The effort to reduce costs in the face of a surplus capacity impelled the transfer of most of the production from New England into the South where labor was—and is—cheaper. The fact that the source of raw material is near at hand in the South was but a minor factor in this shift.

Much more important than the proximity of the raw material was the cheapness of power, particularly hydroelectric power, in the Southeastern states. Power often amounts to 5 per cent or more of production costs. Ten years ago less than half the industry operated below the Potomac. Today two-thirds of the mills are in the South. The majority of these Southern mills are small, independent enterprises, but they process more than half of the cotton which goes to the spindles in this country.

Praise and Blame

The geographical shifting was responsible for many bankruptcies, but other conditions which seem to be inherent in the industry, and which no one yet knows how to eradicate, have sent literally hundreds of companies to the wall. Geographical location had little, if anything, to do with these latter failures. While New England plants were closing, or being put into receivership or sold at auction, capital neither needed nor wanted by the industry as a whole spawned new establishments in the Carolinas, in Georgia and in Alabama. Sometimes it was the chamber of commerce in a small city with few industries which encouraged this unneeded expansion, all in the "Watch Our Town Grow" spirit. In the majority of cases, however, Southern mills are located in communities too small to support a chamber of commerce. Scores of these mills make communities by their very presence. These are known as mill villages. In these places the mill is the be-all and end-all of communal existence, supplying its employes with their homes, with light and water and garden space, as well as with meager pay envelopes.

This paternalism has been both praised and condemned by those interested in social development. It, too, has been conducive to overproduction, for where the mill is the one source of wealth in a village and the management has a heart, the company is reluctant to slacken operations or close down even temporarily, since, in such a case, the breath is knocked out of the entire community by a shut-down. The management, rather than see that happen, is more likely to operate at a loss, constantly expecting the dawn of better prices.

For years the consumption of cotton goods has failed to keep pace with the increase of population. Competing products, particularly silk and rayon, are partly responsible for this. The American habit of buying fewer clothes in order to have more to spend on automobiles and gasoline also has been a factor. Meanwhile, the foreign market has steadily shrunk or gone elsewhere —particularly to Japan—for its cotton goods. In the face of all this, the tendency to increase production has not only endured, but grown stronger.

Today the textile business is as chaotic as the soft coal industry, and the complications of its malady are perhaps more numerous. It is really several dozen industries, having little in common save the raw material which they use. The problems of the maker of drills and ducks, denims or dish rags, are not those of the manufacturer of fine print cloths, voiles or draperies. For the one, raw cotton may represent two-thirds of his production costs; for the other, less than one-third. Nor does the worker spinning coarse yarn have the same task as one occupied with fine thread, or the weaver of sacking share the same worries as the weaver of sheer crepes.

In buying raw materials with an eye for profit, the mill owner must deal in a supersensitive market. To some extent he may protect himself from its more violent fluctuations by hedging in futures. But, in general, the smart manager must know how to speculate as well as how to manufacture. When he sells his finished product, as when he buys his raw cotton, he faces a market full of volatile and unpredictable changes. By a quick shift in style or taste, the pattern which is profitable and popular today may become by tomorrow almost unsalable. There are few staples left in these days of quick communication and universal imitation. It is not only in hats and frocks and wraps that the housewives of Podunk are but an hour behind those of New York. Each house on Elm Street has a woman's magazine in the sitting room. Its subscriber is on the alert to keep up with Park Avenue not only when dressing for the hotel ballroom, but also in the home bedroom, the bath and the pantry. The sheets that were good enough for Mother aren't good enough for Daughter. The standard towel of yesteryear is now unwelcome. To find constancy in cotton goods, one has to get down to flour sacks and overalls.

Some Do Not Spin

Unlike the steel or the automobile industries, cotton textiles have developed few companies of a "vertical" type, taking in every process between the buying of the raw material and the selling of the finished product to the ultimate consumer. Most of the 1,400 establishments are small and individualistic. Some spin but do not weave. Some weave but do not spin. Others perform both functions. Some organizations do their own converting. Others sell their unfinished goods to converters, who then let contracts to finishers, usually on a per-yard basis. There are mills which sell direct to wholesalers or jobbers; others dispose of their products through commission merchants. At the end of the line for them all stands Worth Street, in lower Manhattan, which is to the cotton goods market what Wall Street is to finance, or the Chicago "pit" to grain. In Worth Street a bolt of print cloth may prove as unstable in value as a block of securities further downtown. Indeed, on the day of the Supreme Court's gold decision business spurted in Worth Street for three hours just as it did in Wall Street. The next morning false hopes fluttered downward in the one street as in the other.

Long before the government took a hand in it, the cotton textile industry tried to diagnose and prescribe for its own ills. The manufacturers have one association in the South, another in the North, and various state associations. But whenever an agreement was reached one day, a chiseler wrecked it the next. Several years ago the Cotton Textile Institute was established to study the industry's maladies and try to treat the patient. The late Walter D. Hines, a leader in the movement, reluctantly reached the conclusion that he could not earn his pay as overseer, because so many of the mill owners were refractory. George A. Sloan took up the torch. He and many other men in the industry wished to see something done to shorten the long hours of the workers and, if possible, to bring about a better pay scale. The point had been reached where some workers were receiving only five or six dollars a week.

Ready for the Code

The Institute urged the mills to cooperate in an effort to establish a maximum work week of fifty-five hours for the day shift, fifty hours for the night workers. In 1932 about 82 per cent of the country's spindles were covered under such an agreement. What the owners of the remaining 18 per cent of spindles could and, in many cases, did do as competitors, provided headaches for the others. Spindles which had run on one shift went to two, some of those which had been operated on two shifts began running all the way around the clock. Social workers wailed over the lot of the millhand. In the North he is usually of immigrant stock. In the South he is most often a pure Anglo-Saxon hill-billy come to the mill village from a run-down farm, lugging a run-down family along with him, with Mamma and Johnnie and Mary ready to pitch in and work at the mill, too.

With its employes overworked and underpaid, with even its stronger units obliged to eat into their capital, and its weaker companies toppling into bankruptcy only to rise on the morrow as new competitors favored by low fixed charges, the industry welcomed the Blue Eagle with open arms. It had its code written and ready on June 16, 1933, the very day Congress passed the National Industrial Recovery Act. This code, which became effective one month later, established a forty-hour week for the workers and set a minimum pay scale of $12 a week in the South and $13 in the North for those hours. Furthermore, it limited the use of machinery to eighty hours a week, thus eliminating the third shift. In practice this machine limitation also called a halt on night work by 11 o'clock.

The code increased the industry's payroll $105,000,000 for the one year ending last July 31. During the first few months of its operation, hourly earnings of the employes increased by 70 per cent. Where the industry had worked 312,000 employes in that dark month of March, 1933—during which Mr. Hoover moved out of the White House and the banks were shut—it was keeping 429,000 pairs of hands occupied by the following November. Yet in that November, the industry, under shorter hours, processed nearly 50,000 fewer bales of cotton than it had the previous March. That fact indicates one aspect of what the reduction in working time from fifty-four hours to less than forty achieved in the way of reemployment.

Two weeks after its code became effective, the industry took on another added expense—the processing tax of 4.2 cents a pound on every bale of cotton it consumed. In the eyes of mill owners, this is a heavy sales tax imposed on one industry without a compensating weight being placed on competing industries such as silk and rayon. When it was instituted, the tax amounted to almost half the price of raw cotton. The price of cotton has since been boosted, but the tax still exceeds 33⅓ per cent of cotton's value. During the first year of its operation, the processing tax and the floor tax extracted from the industry $145,000,000, or almost fifty cents for every dollar paid out in wages.

All-Time Record Set

To get the jump on the code, the processing tax and the higher costs which these imposed, buyers flooded the industry with orders in the Spring of 1933. Consequently, June production set an all-time record. Inventories shrank to the lowest point in eight years. Consumption remained satisfactory to the mill owners during the first few months of the code. The Summer and Autumn of 1933 was a period of general hopefulness and good feeling in business. The public was inclined to believe that happy days, if not already here again, really were just around the corner. But human nature and economic laws remained what they had been. Mill wages, low as they still were, had been increased more than the general level. With the processing tax added for good measure, the prices of cotton goods rose proportionately higher than those of most other manufactured articles. The result, of course, was a decline in consumption.

In 1934 the home market bought 13 per cent less cotton goods than in 1933. The foreign market, which used to absorb about 7 per cent of the annual output, has been cut in half in recent months, and is still dwindling. With demand declining, the industry couldn't even furnish its workers forty occupied hours on an average during 1934. By September, the month of the strike which accomplished nothing, the average had fallen below thirty hours. During the three Summer months the operation of machinery was limited to sixty hours a week, instead of eighty.

Following the strike and the report of the mediation board appointed by the President, both the Federal Trade Commission and the Bureau of Labor Statistics were put to work surveying the ailments of the industry. Their preliminary reports were recently issued. Little could be found therein to buoy up the hopes either of capital or of labor in the cotton textile industry.

(A second article on the cotton textile industry will appear in next week's issue of TODAY.)

Next Week—NOBODY'S HOME—Next Week

By Sherwood Anderson

in

TODAY

the country, a better balance has been established in the social life of Washington. A surprising number of these men have been in demand for their intellectual worth, as well as for their mere masculinity.

In fact, we women of Washington have Mr. Roosevelt to thank for a great many things.

Oliver Wendell Holmes
1841-1935

"Death plucks at my ear and says: 'Live, I am coming.'" (Holmes' quotation from Virgil on his 90th birthday.)

Years were his honor, age his friend.
Death was a ruler, expected guest,
And when he saw him round the bend,
He met him with a kindly jest.

He set the table, filled the cup,
And stirred the embers in the grate,
He had not put the shutters up,
Although his promised guest was late.

He kept the candle of his mind
Still burning with a welcoming light—
And when his friend and he had dined,
He went with him into the night.

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BY R.F.A.

THE various left-fringe movements dominated by Father Coughlin, Dr. Townsend and Huey Long—with Governor Olson, Phil La Follette, Upton Sinclair and the Utopian Society a little further in background—continue to dominate political discussions in Washington. But the man whom some of the most astute politicians are watching is seldom mentioned. He is Senator Burton K. Wheeler of Montana.

They are watching Mr. Wheeler because they think that he has a better chance than anyone else now in sight to unite both the actual and potential left-wingers. Here are his credentials:

As Vice-Presidential candidate on the ticket with the late Senator Robert M. La Follette, Sr., he was co-leader of the 1924 Progressive revolt, which polled about 5,000,000 votes—in an era of prosperity.

He has a powerful grip on his own state and great personal prestige in the other Northwestern and Mountain states.

He is a Democratic Progressive.

He is closely allied with Governor Floyd B. Olson of Minnesota, and perhaps has a better chance than any other Democrat to obtain the support of the Farmer-Labor group in Minnesota and the remnants of the Non-Partisan League of North Dakota.

He is an ardent free-silverite, which fact appeals to the old Bryanites and to Father Coughlin.

He is friendly with Senator Huey P. Long, and can count on his support if Long himself is not a Presidential candidate.

He might get the support of the Wisconsin Progressives, as well as that of Senators Cutting and Norris.

He was one of the key men in the campaign to nominate Franklin D. Roosevelt in 1932—unlike Long, who did not jump on the bandwagon until he saw that the Roosevelt forces probably would have the power to seat or unseat his delegation from Louisiana.

As a monetary specialist who has been somewhat critical of NRA and AAA, Senator Wheeler might expect to get considerable support among the small business men in the West.

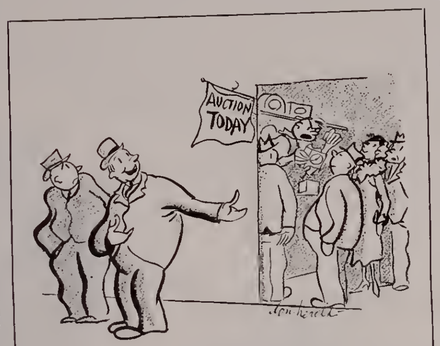
Leave to Print

(Continued from Page 11)

And he is one of the best stump speakers in the country.

Some of the cleverest politicians in Washington think he is the man best situated to lead a really powerful third-party movement. The Kingfish has suggested that Senator Wheeler would be the strongest candidate the "progressive" group could name. Long is confident that he can deliver his own following to another candidate.

Equally as significant, however, is the fact that Senator Wheeler has been hanging back. He has made no effort to "get out in front" with Long and Father Coughlin and Dr. Townsend. He poses as a somewhat more conservative leader who is nevertheless able to lend friendly ears and hands to these more aggressive leaders. That might be considered good politics by those who realize that a successful third-party candidate would have to gain more of the "sensible" vote than could possibly be gained by Long or Father Coughlin, or anyone else who makes a target of himself.



"That's where I spent the depression."

But there is more to Senator Wheeler's cautious course. He undoubtedly is aware that 1936 probably will not be a propitious year for a successful third-party movement. A third-party candidate might poll a large number of votes, but he could not be elected unless there were a marked change in the whole economic and political picture.

Meanwhile, Mr. Wheeler continues to keep one foot within the New Deal. As a Democrat and as chairman of the important Interstate Commerce Committee, he functions with the majority. His friends assert that he is genuinely interested in seeing President Roosevelt succeed, despite his bitterness because the Administration has refused his silver program. But with a secure hold on his own electorate in Montana, Senator Wheeler is in a position to act independently. He thus is situated to feel his way carefully, awaiting broad political developments.

On the Long Fence

PROBABLY no Senators are more troubled than George Norris and Bob La Follette. Both want to go along with the President, yet both feel that there is a certain amount of validity in some of the charges made by Huey Long. Like the other Progressives, they have been upset by the campaign against Bronson Cutting in New Mexico. But both of them have rejected informal suggestions that it was time for the Progressives to form a more compact group. Senator Norris has waited too long for a liberal Administration to be drawn away from it by secondary disputes. Senator La Follette has told some of his impatient friends that he thinks Mr. Roosevelt still has several trumps left in his hand.

The smartest politicians in Washington know that no amount of lambasting from any of the conservatives will beat back Huey Long or any other symbol of protest. They know that the only effective answer is to do something substantial for the people who are protesting. In the South this is not a depression problem, at bottom. It is a long-standing social problem. There is plenty of evidence that the semi-feudal relationship between the plantation owner and the sharecropper is disintegrating. Partly as a result of this and partly as a result of increases in population, the number of landless farm laborers in the South is increasing.

One of the shrewdest observers in Washington asserts: "The combination that can demolish Huey Long is this: Hopkins, Norris, Bankhead, Bilbo and Eccles. Hopkins, because he can spend money rapidly and effectively, if given a chance, to improve the position of the underdog. Norris, because he is so well known as the champion of sound progressive principles that the masses, at least in the West and to some extent in the South, will heed him when he speaks. Bankhead, because he realizes that the route to social stability in the South lies in helping farm laborers and share-croppers to acquire land, and has introduced a bill for that purpose. Bilbo, because he is enough of a rabble-rouser, in all probability, to offset Huey in the Deep South. Eccles, because he asserts that there has to be a more equitable distribution of the national income and can show that the way to bring it about is not by a capital levy, but by increasing the national income with the help of public spending and by using income and inheritance taxes."

Inflation Iconoclast

IN his testimony regarding the banking bill and his press conferences, Governor Eccles is emerging as one of the most persuasive and coherent spokesmen the Administration has. He is more thoroughly addicted to the Keynes theory of spending than the Administration as a whole is, but he already has done more to show up the fallacies of the currency expansionists than anyone else in the Administration.

His success as an educator in Congressional circles is due primarily to two factors: First, he can explain what he means, simply and consistently; second, he is known as a very successful banker and business man.

The Wind Changes

THE rise in food prices is another current development which Administration experts have been forecasting for several months—ever since last Summer's drouth. However, the rise is none the less bothersome on that account. Department of Agriculture officials recently deemed it wise to announce that food prices had risen 8 per cent over the level of the last half of 1934, but also declared that the prices probably would go only a little higher during the remainder of this year.

The biggest rise has been in the cost of meat, primarily the result of the death and forced slaughtering of cattle and sheep during the drouth.

Seeking Balance

Higher food prices involve a larger farm income but the Administration would rather have somewhat lower prices and a mueh larger volume of consumption. This would be more satisfactory both to farmers and to urban dwellers. Just where the proper balance lies, is a moot point. But there is a general feeling that with the help of the drouth, food prices are forging ahead a little too rapidly. A year ago the farmers were denouncing the NRA because of the rise in the price of overalls and other necessary articles.

Administration officials now fear that wage and salary earners soon will begin denouncing the AAA. AAA officials hope that if they have to suffer attack, it will not be until they have their amendments designed to strengthen the Agricultural Adjustment Act, through Congress.

On the Nazi Rack

(Continued from Page 9)

by Herr Hitler on Monday, and purchased by a traveler on Tuesday at three railroad stations between Berlin and Leipzig.

The government is "not responsible" for the private activities of the "Party Leader for Franconia". Economic anti-Semitism — the only sort which is official in Germany—emanates from the fortified ministries in Berlin.

The violent type of anti-Semitism that incites the unrestrained to night-riding brutality comes not from Wilhelmstrasse, but from the Brown House in Nuremberg. The German government "knows nothing about it".

Herr Streicher (his prison record includes a sentence for disseminating a "blood ritual" accusation) "reveals" that Jews were the murderers at Golgotha, Sarajevo and Marseille. Herr Streicher tells a Nuremberg audience how Dr. Steinruck, an elderly and partially paralyzed political prisoner, crawled under his jail cot to avoid the horsewhip, "but I pulled him out and finished the job".

Driven to the Cities

Since he posted placards in Nuremberg denying that Herr Hitler had flogged him, the report has grown more insistent that the "Man with the Horsewhip" has become too heavy for the National Socialist party to carry. Like the late Captain Rochm, Herr Streicher has enjoyed high places in the Third Reich because he was one of *Der Fuehrer's "alten Kaempfer"*—the "old fighters" of the beer putsch days. Meanwhile, the *Frankische Tageszeitung*, his daily paper, informs its readers that Nuremberg's tourist traffic increased 60 per cent last Summer as the result of "pilgrimages of gratitude for Julius Streicher's campaign against the Jews", and a monument is unveiled by the National Socialist party at Hersbruck, a village of Franconia, "in commemoration of Julius Streicher's titanic struggle against the Jews".

Together with the village merchants ruined by the "titanic struggle", the Jewish professional men —lawyers, physicians, teachers— seem to have been completely vanquished from the villages, driven to the cities to mingle with their fellow-*Herr Doktoren* who have lost their professions—or driven to suicide.

In Wiesbaden and other great spa resorts, the official lists of physicians submitted to foreigners who wish to take the cures have been revised to include only the names to "Aryan" practitioners. Nor have the Jewish farmers escaped harm, few in number though they are: Burgomeister Wenzel of Langgoens instructs the peasants attending the fair there not to buy from or sell to "the gentlemen with the crooked noses".

Herr Streicher's "national enlightenment" falls on deaf ears among the higher commercial and professional class of "Aryans" in the large cities, however, and there has been a perceptible shifting of the economic chains of the Jews in the cities in recent months. For instance, the controlling party has been unable to enforce in the cities the regulation prohibiting government employes—a classification which includes every seventh or eighth working man in Germany—from buying in "non-German" stores. Even uniformed Storm Troopers for a time patronized Wertheim's in Berlin.

But while I was in Frankfort, I saw the inauguration of an attempt to rectify this situation. The delivery trucks of those "Jewish" stores still operating were being followed by *Schutzstaffel* men on motorcycles, and the addresses where deliveries were made were noted and checked against the lists of government employes.

Progress of "Purification"

No effort is being made to prevent Jews from patronizing Jews, but there is no salvation in that for the Jewish merchant. Half of the 500,000 Jews in Germany cannot support the other half by buying from them. No pogrom can more effectively destroy the Jewish merchant in Germany than support of the government's boycott policy by the 60,000,000 non-Jews whose needs have created the Jewish merchant class.

The world has been kept informed of the progress of the "purification" of the arts and sciences, undertaken at the very outset of the Nazi regime, but the story of Professor Fritz Haber has not been told and it deserves a place with other incidents of significance in the National Socialist experiment.

One day last Fall, General Goering was informed that Professor Fritz Haber of Berlin was in exile in Switzerland. General Goering asked, in effect: "What of it?" He was told that Professor Haber had discovered the fixation of nitrogen in 1915, when Germany's supply of nitrate was almost exhausted and her ships were cut off from Chile, the world's principal source of nitrate.

Today, the "Haber process" is the basis of Germany's $600,000,000 artificial nitrate industry.

Fritz Haber Dies

Even General Goering knew what would have happened to Germany in 1915 had she run out of nitrate for high explosives. By General Goering's order, the Jewish scientist was recalled to his directorate in the Kaiser Wilhelm Institute in Berlin. But when the order reached him in Switzerland, Professor Haber was dead.

Another German exile, who had lived in the same boarding house with him, told me that the scientist seemed to be in a perpetual daze, invariably returning to the wrong room when he left his own.

Medicine puts little stock in the sentimental tradition that people die of broken hearts. But in the fate of Fritz Haber, and in the fate of the wearer of the Iron Cross who walks with bowed head while children call him *Schwein*—in the fates of these two men, far apart as they are, may perhaps be seen the victory of National Socialism in matters of the human spirit.

(Two more articles by Mr. Mayer, telling of the plight of the Jews of Germany, will be published in TODAY *in forthcoming issues.)*

Thunder Bird's Flight

BY ROBERT DUNCAN

THE fruit of General Hugh Samuel Johnson's recent labors now appears in the more than four hundred pages of his book (*The Blue Eagle From Egg to Earth*. Doubleday-Doran, New York. $3). The grounding of the Blue Eagle is obviously identified with his own resignation from the NRA. But the book is far more than a precise account of that great politico-economic evangelism — the greatest, he believes, of our age. It is autobiography, personal opinion, history, philosophy, and as revealing as the best of them.

General Johnson has written as he administered, tempestuously and without too much pattern. The book is cumulative in its emotional build-up from the early dramatic days of the campaign on through the adventure of the NRA, and when the emergency is over, the book comes to its natural end. Nearly all of the elements of drama are there—crises, pursuits, conflicts; these last include the conflicts between the NRA and the anti-trust laws, and between the NRA and the Labor Department, with lesser conflicts like the one with the Darrow board. Figures move behind the curtain, there are "Richelieus", and the villain of the piece, as was expected, turns out to be the General's successor. Both Donald Richberg and "Madam Secretary" had determined to put the NRA under controls and committees, which were anathemas to the General. The NRA was knifed intramurally, he announces. President Roosevelt was perplexed by these quarrels, and the General resigned when it was no longer possible to go on.

Success Story

About two-thirds of the book was published during the Winter in the *Saturday Evening Post* and part of it appeared in *Red Book*. The autobiographical chapters begin with the Johnson family background and his boyhood in a Kansas boom and in the Oklahoma settlements. His genius in organization work appears in the feeding of 17,000 after the San Francisco fire, his management of the Sequoia National Park, his direction of the draft in the World War, his law work, and his industrial career. Here, indeed, is a man who succeeds at almost any job. Boyish delight, a vast assortment of detail, unconscious appeal to the popular imagination, a sentimental regard for establishment—all these underlie a sense of humor which almost invariably overcomes personal pique.

The shaping of the codes is a story which is roughly familiar to all, but he tells it chronologically and from the inside, replying in his peppery way to most of the criticisms. The reader lives again that wave of enthusiasm, the brief era of fast airplane trips, of twenty-hour days, those "quaint and parlous times", and then begins to suspect that because such a pace could not be maintained, perhaps the author's own participation came to its end when it did. As in submolecular phenomena, the motion may have been much of the substance. The reader is even forced to wonder whether the General's disillusionment will not impair the chances of our ever embarking successfully upon a similar experiment in national voluntarism. The NRA is not over, by any means, but it will hardly be the Thunder Bird it was.

Among the book's unforgettable paragraphs is the one condemning the new Executive Council set-up.

The General's economic philosophy is set forth throughout the book, but the final chapter brings it down to the present hour. "Balance" is his keystone — balanced demand, balanced production, with wages controlled upward to spread purchasing power, these together reproducing confidence in place of savage, wolfish competition. He gives arguments for a sales tax on necessities without being quite willing to mention it. He is orthodox on money and credit, but would add small personal loans to other forms of poor-relief, would balance the budget but would buy or rent surplus land, and would match foreign trade by countries in something like the National Socialist formula. To labor he offers one union of the majority in each plant, but no closed shop. Realistically, he sees that every code is a restraint of trade, and that we must make up our minds to remodel the Federal Trade Commission or reel in blind staggers for years to come. His economic theory is a somewhat intensified form of that held by the average business man. It deals with no destinations. He assumes that industry, by taking thought, can control its growth in both degree and manner.

"Sixteen Blunders"

In a list of "sixteen blunders", General Johnson confesses that he failed to resign when he discovered the NRA of consumers' goods was not to march abreast of an NRA of capital goods. The substance of this other wing, Title II of NIRA, was carried over to Harold Ickes' department. Movement was far slower there than in the NRA, and this, according to the General, was the fatal flaw. There are several fatal flaws, but this wound was nearest the heart, he believes.

Administratively, the separation of Title I and Title II appears to have been the fundamental error. It delayed the reactivation of capital goods, a field which the author believes should have employed a million men. Because these industries kept on starving, the government had to keep on putting billions into relief.

General Johnson at times appears to succumb to the fear of "labor-saving" machinery, a type of equipment scarcely to be separated from capital goods as a whole, and always to be paid for in the same way. He comes back to realize that until we do have a concerted policy on housing, utilities, railroads and machinery replacement, we cannot recover. But the NRA was at full speed by August of 1933, and the fascination of his prodigious energy kept the public from realizing that only half the treatment was being applied. Even in that month the peak of business activity was passed, and we have not yet returned to it.

General Johnson's style is always forceful, occasionally crude, and can be hard or scalding. He has little respect for the Ph.D's in economics and seeks to translate their algebra into terms of people and production. The librarians are going to find it difficult to pick a shelf for the General's opus. It is not a textbook a manual, or a program. He has dumped everything into this robust work, and its future is going to depend to a degree upon what the General does next. The last chapter suggests the scaling down of debts, the reorganization of the executive branch of the Federal government, and codification of the unions, any of them a task which might attract a man acquainted with eagles.

CLOSE FROM HARRIS & EWING

General Johnson, who quit the NRA, has written a book, and lately has been making speeches.

The Books of the Week

BY SCHUYLER C. WALLACE
LITERARY EDITOR

Clashing Tides of Colour, by Lothrop Stoddard. Scribner's, New York. $3.

Dedicated to the thesis that the conflicting economic, philosophic and racial influences in the modern world threaten the West with disintegration and the East with downright dissolution. A weird medley of fact and hallucination.

Columbia Poetry, selected by Allan Abbott, Joseph Auslander, Donald Clark, Roderick Marshall and Raymond Weaver. Columbia University Press, New York. $1.50.

An anthology of verse by Columbia students, some of it good, some bad, some indifferent.

Ten Thousand Public Enemies, by Courtney Ryley Cooper. Little-Brown, Boston. $3.

An engrossing tale of the workings of the Division of Investigation of the Department of Justice, together with some general observations on the activities of the underworld. Far more interesting than a detective story.

The Wizard of Monte Carlo, by Count Corti. Dutton, New York. $3.

An intriguing biography of Francois Blanc, founder of the two most famous gambling meccas in the world—Horburg and Monte Carlo.

That Bennington Mob, by Henry Barnard Safford. Julian Messner, New York. $2.

An interesting historical novel of Vermont in the days of the Revolutionary War.

Elizabeth, Empress of Austria, by Maureen Fleming. Kendall and Sharp, New York. $3.

A fascinating biography of the madcap who was once Empress of Austria.

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